

---

# **Municipalities Financial Recovery Act**

## **Amended Recovery Plan**

City of Altoona  
Blair County, Pennsylvania

---



Prepared on behalf of the  
Commonwealth of Pennsylvania  
Department of Community and Economic Development  
Governor's Center for Local Government Services

As filed with the City Clerk on August 19, 2016

  
**PENNSYLVANIA  
ECONOMY LEAGUE**  
**Pennsylvania Economy League  
Central PA LLC**  
88 N. Franklin Street, Suite 200  
Wilkes-Barre, PA 18701-1393  
570-824-3559

**STEVENS & LEE**  
**LAWYERS & CONSULTANTS**

**Stevens & Lee, P.C.**  
17 North Second Street, 16th Fl.  
Harrisburg, PA 17101  
717.234.1090  
[www.stevenslee.com](http://www.stevenslee.com)

**FSL** FINANCIAL **S&LUTIONS**

**Financial S&Lutions**  
607 Washington Street  
Reading, PA 19601  
610.478.2153  
[www.fsandl.com](http://www.fsandl.com)





607 Washington Street  
Reading, PA 19601  
www.fsandl.com

Direct Dial: (610) 478-2038  
Email: rph@fsandl.com  
Direct Fax: (610) 236-4187

August 19, 2016

City of Altoona  
Altoona City Hall  
1301 12th Street, Suite 100  
Altoona, PA 16601

Re: City of Altoona Act 47 Recovery Plan

Mayor and Councilmen:

Enclosed please find a copy of the City of Altoona's Amended Act 47 Financial Recovery Plan which has been delivered today by the Act 47 Coordinator to the City of Altoona.

As City Council deliberates the Plan, it is important to remember that the Plan, while adopted by Ordinance, is also a living document. The role of the Coordinator through continued implementation is to work with the City to review and make adjustments to changing conditions while the City remains in the Act 47 program.

The Act 47 Coordinator's Plan provides a multiyear strategy to continue the fiscal stabilization that the City of Altoona has made over the last three and a half years.

Best regards,

By: /s/ Ryan P. Hottenstein  
Act 47 Coordinator

Enclosure (1)

cc: Marla Marcinko, City of Altoona (City Manager)  
Gerald Cross, Pennsylvania Economy League (Act 47 Coordinator)  
Patricia Moorhead, Pennsylvania Economy League (Act 47 Coordinator)  
Susan R. Friedman, Stevens & Lee (Act 47 Coordinator)  
Marita J. Kelley, MPA Deputy Director (DCED)  
Michael Foreman, Local Government Policy Specialist (DCED)  
Arthur McNulty, Local Government Policy Specialist (DCED)

Philadelphia • Reading • Valley Forge • Allentown • Harrisburg • Lancaster • Scranton  
Wilkes-Barre • Princeton • Charleston • New York • Wilmington

A PROFESSIONAL CORPORATION



# Table of Contents

	<u>Page</u>
<b>TRANSMITTAL LETTER</b>	
<b>INTRODUCTION .....</b>	<b>1</b>
<b>ELECTED OFFICIALS, EXECUTIVE OFFICIALS AND ADMINISTRATIVE SERVICES DEPARTMENTS .....</b>	<b>5</b>
OVERVIEW .....	5
ASSESSMENT .....	7
INITIATIVES .....	7
<b>FINANCE DEPARTMENT .....</b>	<b>19</b>
OVERVIEW .....	19
INITIATIVE .....	20
<b>WORKFORCE AND COLLECTIVE BARGAINING .....</b>	<b>21</b>
OVERVIEW .....	21
INITIATIVES .....	23
<b>RETIREMENT BENEFITS .....</b>	<b>42</b>
OVERVIEW .....	42
INITIATIVES .....	42
<b>POLICE DEPARTMENT .....</b>	<b>47</b>
OVERVIEW .....	47
ASSESSMENT .....	50
INITIATIVES .....	51
<b>FIRE DEPARTMENT .....</b>	<b>54</b>
OVERVIEW .....	54
ASSESSMENT .....	58
INITIATIVES .....	59
<b>PUBLIC WORKS DEPARTMENT .....</b>	<b>61</b>
OVERVIEW .....	61
ASSESSMENT .....	62
INITIATIVES .....	63
<b>DEPARTMENT OF COMMUNITY DEVELOPMENT.....</b>	<b>68</b>
OVERVIEW .....	68
ASSESSMENT .....	69
INITIATIVES .....	70
<b>HOUSING .....</b>	<b>72</b>
ASSESSMENT .....	72
<b>ECONOMIC DEVELOPMENT .....</b>	<b>74</b>
OVERVIEW .....	74
INITIATIVES .....	74

<b>CODES AND INSPECTIONS DEPARTMENT .....</b>	<b>77</b>
OVERVIEW .....	77
FINANCES .....	78
ASSESSMENT .....	78
INITIATIVES .....	78
<b>OFFICE OF INFORMATION TECHNOLOGY DEPARTMENT .....</b>	<b>82</b>
OVERVIEW .....	82
ASSESSMENT .....	82
INITIATIVES .....	83
<b>INSURANCE AND RISK MANAGEMENT .....</b>	<b>85</b>
OVERVIEW .....	85
INITIATIVES .....	86
<b>DEBT .....</b>	<b>89</b>
OVERVIEW .....	89
INITIATIVES .....	91
<b>CAPITAL IMPROVEMENT PROGRAM &amp; BUDGET PROCESS .....</b>	<b>93</b>
OVERVIEW .....	93
INITIATIVES .....	94
<b>REVENUE .....</b>	<b>97</b>
OVERVIEW .....	97
NON-TAX REVENUES AND REVENUE MANAGEMENT .....	101
<b>INTERGOVERNMENTAL RELATIONS.....</b>	<b>104</b>
OVERVIEW .....	104
ASSESSMENT .....	105
INITIATIVES .....	105

## **APPENDIX**

Tab 1 Initiatives – Full List

Tab 2 Act 47 Recovery Plan Financial Assistance Recommendations





# Introduction

On May 3, 2012, the City of Altoona (City) was declared the 27th financially distressed Pennsylvania municipality by the Pennsylvania Secretary of the Department of Community and Economic Development (DCED). At that time, DCED confirmed that the City met three criteria under Section 201 of Act 47: (1) the City maintained a deficit over three years, with a gap of 1% or more in each of the previous fiscal years; (2) the City's expenditures have exceeded revenues for at least three years; and (3) the City's municipal services decreased from the preceding fiscal year due to the City reaching its legal limit in levying real estate taxes for general purposes.

On June 3, 2012, DCED appointed Stevens and Lee as the Altoona Act 47 Coordinator (Coordinator). The Coordinator, in consultation with the City, developed a comprehensive financial recovery plan to guide the City towards fiscal stability. On December 19, 2012, City Council adopted the Coordinator's Recovery Plan (2012 Recovery Plan). The 2012 Recovery Plan included 151 initiatives to assist the City with revenue generation, expenditure controls and improving operating efficiencies. Since the City's adoption of the 2012 Recovery Plan, the City has completed many of the initiatives while others are in the process of implementation or are being reevaluated by the Coordinator. During the development of this Amended Recovery Plan, the Coordinator reviewed the status of the initiatives being implemented by the City and has recommended several new initiatives to be implemented by the City.

While the City operated with a deficit in 2013, for the fiscal years 2014 and 2015 the City operated with a budget surplus. The operating surpluses in 2014 and 2015 are primarily due to an increased earned income tax rate under Act 47 and collective bargaining concessions outlined in the 2012 Recovery Plan.

	2011	2012	2013	2014	2015
	Actual	Actual	Actual	Actual	Actual
Revenues	\$ 26,714,104	\$ 27,668,081	\$ 27,012,963	\$ 27,673,809	\$ 29,517,500
Expenditures	27,668,842	28,170,561	27,114,495	26,363,389	28,625,836
Surplus/(Deficit)	\$ (954,738)	\$ (502,480)	\$ (101,532)	\$ 1,310,419	\$ 891,664

Two propitious events have occurred since the City entered Act 47 that will enhance the City's ability to generate revenue and position the City to timely exit the Act 47 program. First, the City completed the home rule process outlined in the 2012 Recovery Plan and adopted a home rule charter. Pursuant to the Home Rule Charter and Optional Plans Law, on May 21, 2013, the electors of the City voted to create a government study commission. The Altoona Government Study Commission (Government Study Commission) concluded that the adoption of a home rule charter would improve the City's ability to meet the needs of its citizens. At the public election held on November 4, 2014, the City's electors voted to adopt a home rule charter drafted by the Government Study Commission. The adopted Altoona Home Rule Charter (Home Rule Charter) became effective on January 5, 2015. The City's adoption of the Home Rule Charter liberates the City from the tax rate ceilings in the Third Class City Code.

Second, the Blair County Commissioners voted to pursue a property tax reassessment in March 2014. The last Blair County real property assessment was completed in 1958. Blair County is expected to complete the reassessment in 2016. The reassessed property values are expected to become effective January 1, 2017. By generating the actual amount of revenue per mill

equal to the amount possible by a current reassessment, the County property tax reassessment will increase the equity of assessments and lower the millage rate of the City's real property tax. The City is permitted to capture a 10% increase in tax revenue as a result of the County reassessment; anything above 10% would have to be designated as a tax increase. The City should capture the 10% as allowed and use the cushion generated to offset assessment appeals during the next two fiscal years.

## **2016 – 2021 General Fund Baseline Projections**

Baseline projections for the General Fund were developed for 2016 to 2021 using the City's 2013, 2014, and 2015 operating budget actuals and the City's 2016 adopted budget projections. These projections are based upon the City's historical revenue and expenditure trends **without implementation** of any of the 2016 Amended Recovery Plan initiatives. In developing these projections a variety of assumptions were used.

The revenue assumptions used in the baseline projections are as follows:

- All tax rates were held constant at the 2016 budgeted levels; fee revenue is based upon the City's 2016 adopted fee schedules.
- Revenue from real estate taxes was held flat throughout the period. Blair County property reassessments will become effective January 1, 2017. Potential property assessment challenges by property owners in 2017 and 2018 may reduce assessment valuations impacting City real estate tax revenues. Delinquent tax collections were included at historical levels.
- Act 47 Nonresident EIT was removed from the revenue projections in 2018. It is anticipated the City will no longer be in the Act 47 program in 2018.
- Other tax revenues were reviewed on a line-by-line basis. Earned Income Tax revenue was increased by one half percent (0.5%) per year, the Business Privilege & Mercantile Tax revenue by one half percent (0.5%) per year and the Real Estate Transfer Tax revenue was held level at the 2016 budgeted base.
- Baseline Local Services Tax revenues were increased by \$940 annually which represents 20 new employees yearly in the City.
- Permit and Fee revenues were increased annually by one-half percent (0.5%).
- State aid for pension expense was increased by the historical average annual increase of 2.0% through the period.
- Transfers from the Altoona Water Authority under the joint agreement are \$4.1 million in 2017 with a 2% annual escalator thereafter.
- Act 205 EIT transfers from the dedicated fund are adjusted to cover projected pension costs.
- Most other revenues are held constant over the period.

## General Fund Revenue Projections, 2016-2021

	2016	2017	2018	2019	2020	2021
Revenues	Estimated	Projected	Projected	Projected	Projected	Projected
General Property Taxes	\$ 9,657,379	\$ 9,657,379	\$ 9,657,379	\$ 9,657,379	\$ 9,657,379	\$ 9,657,379
Earned Income Tax	4,890,000	4,914,450	4,397,022	4,419,007	4,441,102	4,463,308
Act 511 Taxes	2,522,150	2,528,580	2,535,037	2,541,522	2,548,035	2,554,576
Business Licenses and Permits	1,411,450	1,411,450	1,411,450	1,411,450	1,411,450	1,411,450
Intergovernmental Revenues	1,628,020	1,564,020	1,564,020	1,564,020	1,564,020	1,564,020
Federal Gov't Grants & Revenue	4,125	0	0	0	0	0
State Aid Pension Contribution	1,321,273	1,347,698	1,374,652	1,402,145	1,430,188	1,458,792
State Gov't Grants & Revenue	535,482	122,003	100,003	100,003	100,003	100,003
Fines & Forfeits	229,100	229,100	229,100	229,100	229,100	229,100
Charges for Services	377,335	377,335	377,335	377,335	377,335	377,335
Other Revenues	637,529	622,529	622,529	622,529	622,529	622,529
City Authority Agreement	3,100,000	4,100,000	4,182,000	4,265,640	4,350,953	4,437,972
Transfer In Act 205 EIT Pension Fund	4,431,655	4,562,211	4,676,124	4,784,130	4,888,761	4,983,626
Other Interfund Operating Transfers	0	0	0	0	0	0
<b>Total Revenues</b>	<b>\$ 30,745,498</b>	<b>\$ 31,436,756</b>	<b>\$ 31,126,653</b>	<b>\$ 31,374,262</b>	<b>\$ 31,620,856</b>	<b>\$ 31,860,089</b>

The expenditure assumptions used in the baseline projections are as follows:

- The number of employed City personnel is held constant at the 2016 budget level, except that the additional position of Director of Codes and Inspections and an additional position in Information Technology were added in 2017.
- Wages have been increased as specified in the respective collective bargaining agreements.
  - For 2017-2021, base wages were increased by 2.0% for each bargaining unit.
  - An additional compensation amount was added for 2017 to reflect savings achieved through healthcare savings.
  - Non-bargaining management employee salaries/wages were increased by 2.0% in 2017-2021.
- Employee medical costs have been increased by a rate of 5.0% per year. Employee healthcare contributions remain at rates as established in the last contract for bargaining unit employees and at 2016 budgeted rates for non-bargaining unit employees. Retiree medical costs were increased 6% annually.
- IT maintenance costs will be increased in 2017 to \$150,000 and then increase 2.0% annually.
- Other major insurance costs have been projected on a case-by-case basis.
- Debt Service is assumed using existing amortization schedules.

- Municipal pension obligations are increased by the same percentages as total salary and wages.
- Other expenditures were increased at various levels using the U.S. Bureau of Economic Analysis' Core Personal Consumption Expenditures Index, held at budget level, or adjusted based on type of expenditure.

### General Fund Expenditure Projections, 2016-2021

Expenditures	2016 Est	2017 P	2018 P	2019 P	2020 P	2021 P
Salary	\$12,181,718	\$13,462,895	\$13,708,131	\$13,946,697	\$14,206,081	\$14,455,752
Overtime	468,500	468,500	468,500	468,500	468,500	468,500
Employee Insurance & UC/WC	4,398,840	4,606,033	4,823,905	5,052,655	5,292,838	5,545,039
Pensions	5,758,428	5,909,910	6,050,777	6,186,276	6,318,949	6,442,418
FICA & Social Security	460,588	451,841	461,299	470,671	480,226	486,594
Other Employee Expenses	268,175	270,162	272,409	274,701	277,039	279,424
Maintenance, Materials, Supplies & Equipment	541,600	615,601	627,085	638,798	650,746	662,933
Vehicle Expenses	570,800	580,610	591,706	603,024	614,569	626,344
Utilities	264,300	269,003	274,323	279,750	285,285	290,931
General Insurance	338,000	344,084	350,966	357,985	365,145	372,448
Professional & Contractual Services	539,031	547,960	558,059	568,360	578,867	589,584
Commission & Organization Grants	440,403	440,403	440,403	440,403	440,403	440,403
Capital Equipment	16,872	17,176	17,519	17,870	18,227	18,592
Miscellaneous Expenditures	160,792	161,969	163,300	164,658	166,042	167,455
Debt Service	2,517,206	3,108,738	3,108,830	3,120,555	3,117,963	3,112,733
Other Financing Uses	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$28,925,253</b>	<b>\$31,254,883</b>	<b>\$31,917,213</b>	<b>\$32,590,902</b>	<b>\$33,280,880</b>	<b>\$33,962,149</b>

The General Fund baseline projections summary below projects the City will have operating surpluses in 2016 and 2017. However, beginning in 2018 the City will incur annual operating budget deficits. Assuming the City exits Act 47 at the end of 2017, the City will lose the ability to levy the additional 0.1% of non-residential EIT which is currently generating approximately \$550,000 in revenue annually. The loss of this revenue source will exacerbate the City's operating deficits. In order to achieve a balanced operating budget in 2018 and thereafter, the City will have to reduce expenditures, increase tax rates or a combination of both.

### Baseline Projections Summary, 2016-2021

	2016	2017	2018	2019	2020	2021
	Estimated	Projected	Projected	Projected	Projected	Projected
Revenues	\$ 30,745,498	\$ 31,436,756	\$ 31,126,653	\$ 31,374,262	\$ 31,620,856	\$ 31,860,089
Expenditures	28,925,253	31,254,883	31,917,213	32,590,902	33,280,880	33,962,149
Surplus/(Deficit)	\$ 1,820,245	\$ 181,873	\$ (790,560)	\$ (1,216,641)	\$ (1,660,024)	\$ (2,102,060)

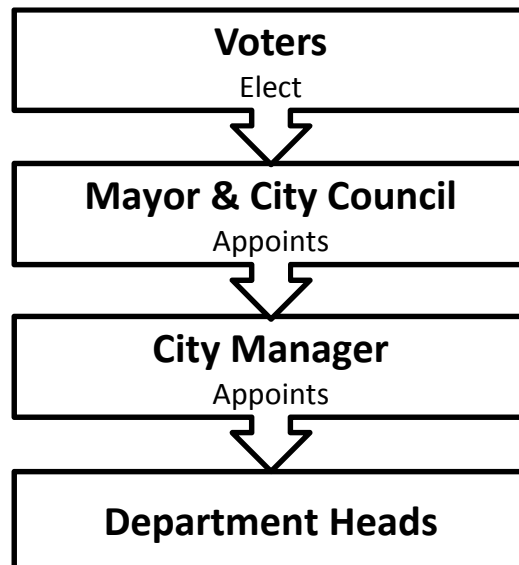
# Elected Officials, Executive Officials and Administrative Services Departments

## Overview

### Elected Officials and Executive Officials

Pursuant to the Home Rule Charter and Optional Plans Law, on May 21, 2013, the electors of the City of Altoona (the “City”) voted to create a Government Study Commission to study the City’s existing form of government and to determine whether the City would be better served under a Home Rule Charter. The Government Study Commission concluded that a government operating under a Home Rule Charter would improve the City’s ability to meet the needs of its citizens. The Government Study Commission proceeded to draft a Home Rule Charter to be approved by the City’s electors. At the public election held on November 4, 2014, the City of Altoona voted to adopt the Home Rule Charter drafted by the Government Study Commission.

The adopted Home Rule Charter includes a Council-Manager form of government. Under the Home Rule Charter, the City’s governing body is a seven-member City Council, composed of a Mayor and six (6) additional Council Members. Voters elect the Mayor and City Council members. The Mayor is required to nominate a candidate for the position of City Manager. City Council, by a majority vote of its total membership, may make such appointment. In the event City Council by a majority vote of five (5) of its members or a majority plus one in the event vacancies in office prevent five members being present to vote, rejects such nomination by the Mayor, Council may appoint by a majority vote of five (5) of its members or a majority plus one in the event vacancies in the office prevent five members being present to vote, without further nomination by the Mayor.<sup>1</sup>



<sup>1</sup> City of Altoona Home Rule Charter, Section 4.3 Adopted 11/4/2014

The executive powers of the City are vested in the Mayor who serves as the Chief Executive Officer of the City. He is responsible for facilitating the faithful execution of all laws, provisions of the Charter, and acts of City Council, however, the Mayor may not direct any employee and/or official of the City, including the Manager, and must act with Council, as a body, to direct the manager.<sup>2</sup>

The City Manager serves as the Chief Administrative and Operating Officer of the City. The City Manager is responsible for management of all City affairs and has the responsibility of appointing the department heads.

General powers are granted to the City under the Home Rule Charter and Optional Plans Law. The general powers include the City's ability to organize and regulate internal affairs, and establish, alter, and abolish offices, positions and employment, as well as to define the functions, powers and duties and to fix their terms, tenures and compensation. Additionally, the City has the power to adopt and enforce local ordinances, impose penalties or fines on properties, and to construct, acquire, operate, or maintain any and all public improvements and projects for any public purpose.

The City also has the power to sue and be sued, to contract to buy, sell, lease, hold, and dispose of real and personal property, to appropriate and expend monies, and to adopt, amend and repeal such ordinances and resolutions as the City may require, along with exercising condemnation, borrowing, and taxation in a manner provided by general law applicable to home rule municipalities in Pennsylvania.

## **Administrative Services Departments**

The Administrative Services of the City are under the jurisdiction of the City Manager and include the following departments: (1) Administration Department, (2) Public Works Department, (3) Finance Department, (4) Police Department, (5) Fire Department, (6) Codes and Inspections Department, (7) Community Development Department, and the (8) Human Resources Department.<sup>3</sup> Each department has a Department Head who is appointed by the Manager, on the basis of executive, administrative, and technical qualifications in connection with the function, duties and operations of their respective departments. The departments of Public Works, Finance, Codes and Inspections, Community Development, and Human Resources each have a Director as its department head. The departments of Fire and Police each have a Chief as its department head, and the City Manager, or a designee, is the head of the Administration Department. Currently, the Director of the Human Resources Department is also the Director of the Finance Department. The City has allocated funding in its 2016 Budget to fill the Director of Finance position and intends to fill the position by the end of 2016. Additionally, the role of Director of Codes and Inspections and the Director of Community Development has been combined and is being filled by one employee.

---

<sup>2</sup> City of Altoona Home Rule Charter, Section 4.2(2). Adopted 11/4/2014

<sup>3</sup> Administrative Code of the City of Altoona (As amended by Ordinance No. 5667) Section 7.21 Adopted 9/9/2015

# Assessment

## City Council

City Council consists of the Mayor and six additional Council members elected at large by the voters. The Mayor is the Chair of the Council and the Vice Chair is appointed by Council, serves a two-year term, and conducts the Council meeting(s) when the Mayor is not present. All elected officials serve a term of four years and are required to act as one body. Each Council Member has the responsibility to vote on all questions that come before the Council, and their actions are to be taken pursuant to ordinance, resolution, or motion. The Council also has the responsibility to appoint a City Clerk and a City Solicitor, any planning, zoning or personnel board in the city, and they may create commissions and other bodies. In addition, the Council members have the authority to make investigations into the affairs of the municipality and into the conduct of any municipal department, office or agency.<sup>4</sup> Furthermore, the Council has the responsibility to create, determine and define the powers and duties of executive and administrative departments, offices, and boards.<sup>5</sup> Council is responsible for establishing policy and setting the City's future course of action. The City Manager is responsible for all implementation, operations and employee management.

## Initiatives

### **CC01. City Council Shall Enact, Modify and Revise City Ordinances as Necessary to Implement the Amended Recovery Plan**

**Target outcome:** Plan implementation

**Responsible party:** City Council, City Manager and Solicitor

This Amended Recovery Plan contains initiatives that require new ordinances, resolutions and regulations as well as other official actions. City Council shall enact any such legislation and regulations and shall take all other actions required to accomplish the initiatives set forth throughout this Amended Recovery Plan in a timely manner.

### **CC02. City Council Shall Hold an Annual Town Hall Meeting on City's Progress**

**Target outcome:** Community engagement transparency

**Responsible party:** City Council and City Manager

The City Council, working with the City Manager and the Act 47 Coordinator, shall hold at least annually a town-hall style meeting to update City residents on the Act 47 process, the City's progress towards implementing the Amended Recovery Plan and any other relevant issues. The Council shall hold this meeting at a regularly scheduled council meeting.

---

<sup>4</sup> Administrative Code of the City of Altoona (As amended by Ordinance No. 5667) Section 7.12(C) Adopted 9/9/2015

<sup>5</sup> Administrative Code of the City of Altoona (As amended by Ordinance No. 5667) Section 7.12(D) Adopted 9/9/2015

## City Manager

The City Manager ("City Manager" or "Manager") is the Chief Administrative and Operating Officer of the City and executes all laws and ordinances of the City. Altoona's current City Manager has held the position as Manager since May of 2015. The City Manager is nominated by the Mayor and appointed by the Council solely on the basis of his/her executive and administrative qualifications with a special reference to actual experience in, or knowledge of, accepted practice in the duties of the office. The City Manager holds office for an indefinite term, and may be removed by a majority vote of the council.

The responsibilities of the City Manager in Altoona include managing the day-to-day operations of the City while advising and being advised by City Council. The City Manager is responsible for directing, supervising, and managing the city directors and departments, as well as preparing the agenda for all Council meetings, supplying facts pertinent thereto, and attending all Council meetings. The Manager does not have the power to vote with City Council. The City Manager makes recommendations to Council concerning municipal policy and other matters along with preparing and presenting to Council the annual operating budget and long range fiscal plans for the City, and negotiating labor contracts with respect to the City.

The responsibilities of the City Manager also include the duty to appoint or remove a deputy manager, if one is authorized by the Council, as well as all department heads and all other officers, subordinates and assistants. The City Manager oversees the performance of statutes and contracts. Additionally, the Manager investigates the affairs of any officer or department of the City which is under his/her jurisdiction, as well as performing duties that may be required by ordinance or resolution established by the Council. The City Manager prepares the City budget, not later than the month of November of each year. He/she must require all department directors to submit requests for appropriations for the ensuing budget year. Finally, the City Manager must submit to Council a recommended budget in the form of an ordinance, together with explanatory comments or statements. The budget must be in the form required by law for city budgets, and have a detailed analysis of the various items of expenditure and revenue.

### Office of the City Manager – Projected Baseline Expenditures

Expenditures	2016 Est	2017 P	2018 P	2019 P	2020 P	2021 P
Salary	\$ 191,687	\$ 198,404	\$ 202,372	\$ 206,420	\$ 210,548	\$ 214,759
Employee Insurance & UC/WC	24,006	25,186	26,424	27,723	29,087	30,519
Pensions	5,500	5,720	5,834	5,951	6,070	6,192
FICA & Social Security	14,787	15,378	15,686	16,000	16,320	16,646
Other Employee Expenses	4,500	4,500	4,500	4,500	4,500	4,500
Professional & Contractual Services	42,000	42,756	43,611	44,483	45,373	46,280
Miscellaneous Expenditures	1,000	1,000	1,000	1,000	1,000	1,000
<b>Total Expenditures</b>	<b>\$ 283,480</b>	<b>\$ 292,944</b>	<b>\$ 299,428</b>	<b>\$ 306,077</b>	<b>\$ 312,899</b>	<b>\$ 319,897</b>



## Initiative

### **CM01. The City Manager Shall Work with City Council to Enact, Modify and Revise City ordinances as Necessary to Implement the Amended Recovery Plan and Shall Take a Lead Role with Plan Implementation**

**Target outcome:** Plan implementation

**Responsible party:** City Manager, City Council and Solicitor

This Amended Recovery Plan contains initiatives that require new ordinances, resolutions and regulations as well as other official actions. The City Manager shall work with the City Council, stakeholders, and the Act 47 Coordinator to enact such legislation and regulations and shall take all other actions required to accomplish the initiatives set forth throughout this Amended Recovery Plan in a timely manner.

## City Controller

The Home Rule Charter, approved by the voters in November of 2014, eliminated the elected City Controller.

Under section 3.6 of the City's Home Rule Charter, City Council, by a majority vote of its total membership, may appoint a Controller who shall serve at the pleasure of Council for an indefinite term and shall fix the Controller's compensation. The Controller shall be a certified public accountant and may be one person or a firm, partnership, association or professional corporation. The Controller shall have such duties as may be assigned by the City Council.

To date the City has not appointed a City Controller.

## Administration Department

The Administration Department, headed by the City Manager, is responsible for performing staff functions for the Manager and assists all City departments and other units of the City to carry out their duties. The Department also supervises and administers all central services, which are not otherwise directed in the Administrative Code, or assigned by law, ordinance, or other regulation. The Administration Department includes the City Manager, City Solicitor and the City Clerk, who serve as City Council's staff.<sup>6</sup> These three staff positions are the only staff positions appointed by City Council. Also included in the Department is the IT Manager & Executive Assistant(s) who assist the City Manager and the City Clerk in connection with their duties.

### **City Clerk**

The City Clerk is appointed by the Council and serves under the direction and supervision of the City Manager. The City Clerk's responsibilities include coordination of all communications and correspondence for the Mayor and City Council, along with providing staff support. Additionally,

---

<sup>6</sup> Administrative Code of the City of Altoona (As amended by Ordinance No. 5667) Section 7.24(A)2 Adopted 9/9/2015

the City Clerk, in cooperation with the City Manager, prepares Council agendas and other documents necessary for Council meetings. The City Clerk attends all public meetings of City Council and records minutes, records and maintains all executive documents, resolutions and ordinances for the City, and creates and coordinates all public relations for the City. The City Clerk performs the advertising requirements for the City and also receives, opens and records bids and monitors bid checks until projects are complete. The City Clerk assists the IT Manager to develop and post content on the City's Website and also assists Emergency Management with reviews and reporting. The City Clerk serves as the Public Information Officer for the City's Emergency Operations. The City Clerk participates in special projects as assigned, is the City's Right to Know Officer, fulfills public records requests for information by City departments and the public, and maintains and preserves all historical documents and information within the archives of the City. The Deputy City Clerk assists the City Clerk with respect to his/her job and assumes the duties of the City Clerk in his/her absence.

## ***Solicitor***

The City Solicitor is appointed by the Council. The Solicitor provides legal opinions in connection with any legal matter or question submitted by the Council, its committees or the Manager. The Solicitor has the responsibility to prepare and revise ordinances and resolutions directed by the Manager, Council, or any committee or department director. Additionally, the Solicitor reviews and revises, as necessary, all proposed ordinances and resolutions to ensure legal compliance. The Solicitor provides legal opinions upon any legal matter or question submitted by the Council, its committees or the Manager. The Solicitor is required to attend all Council meetings, and litigate all legal actions and claims brought by or against the City, except in those cases in which special legal counsel is retained. The Solicitor must also approve, for legality, all contracts, agreements or other legal documents executed by municipal officers, and coordinate activities with the assistant city solicitor, if any. In Altoona, the Solicitor's position is performed pursuant to an agreement with the Goldstein, Heslop, Steele, Clapper, Oswalt and Smith Law Firm.

## **Administration Department – Projected Baseline Expenditures**

<b>Expenditures</b>	<b>2016 Est</b>	<b>2017 P</b>	<b>2018 P</b>	<b>2019 P</b>	<b>2020 P</b>	<b>2021 P</b>
Salary	\$ 1,607,888	\$ 1,703,267	\$ 1,735,310	\$ 1,767,994	\$ 1,801,332	\$ 1,835,336
Employee Insurance & UC/WC	826,351	850,438	876,487	903,509	931,547	960,643
FICA & Social Security	498,324	518,257	528,622	539,195	549,978	560,978
Other Employee Expenses	116,958	124,648	127,141	129,684	132,278	134,924
Maintenance, Materials, Supplies & Equipment	63,800	64,673	65,660	66,668	67,695	68,743
Utilities	206,700	275,398	280,884	286,479	292,187	298,009
Professional & Contractual Services	15,800	16,084	16,406	16,734	17,069	17,410
Commission & Organization Grants	338,000	344,084	350,966	357,985	365,145	372,448
Capital Equipment	535,531	544,460	554,559	564,860	575,367	586,084
Miscellaneous Expenditures	438,903	438,903	438,903	438,903	438,903	438,903
Capital Equipment	16,872	17,176	17,519	17,870	18,227	18,592
<b>Total Expenditures</b>	<b>\$ 4,665,127</b>	<b>\$ 4,897,388</b>	<b>\$ 4,992,458</b>	<b>\$ 5,089,881</b>	<b>\$ 5,189,728</b>	<b>\$ 5,292,069</b>

## **Initiatives**

The following initiatives can produce reductions in expenditures and have a substantial influence on the efficiency of the offices and departments.

## **EOADMIN01. Continue Monthly Meetings Between the City Manager and Department Heads**

**Target outcome:** Open communication between departments and City Manager

**Responsible party:** City Manager and Department Heads

Monthly meetings were initially implemented in August of 2013. Meeting are held the 1<sup>st</sup> Monday of the month. Maintaining monthly meeting will foster open communication between all department heads and the City Manager.

### ***Human Resources Department***

The Human Resource Department develops and administers all matters in connection with the City's relationship with its employees.<sup>7</sup> The department head is a director, who is responsible to the City Manager for the performance and function of the department. The Director of Finance also currently serves as the Director of Human Resources. The responsibilities of the Director include, but are not limited to:

- (1) recruiting and selecting persons for municipal employment,
- (2) developing and maintaining the position classification and pay plans,
- (3) participating in and administering labor relations,
- (4) recommending, developing, and implementing rules, regulations, and policies governing City employees,
- (5) developing and implementing City-wide employee training, development, and personnel planning programs.

Additionally, the Director serves as secretary (or appoints a designee) to multiple boards including the Civil Service Board and Commission. The Director develops and maintains records reflecting all aspects of the service of municipal employees, makes recommendations concerning employee benefit plans, advises the City Manager and other departments about employee disciplinary matters and provides advice to the City Manager and other departments to ensure that all personnel actions, policies, and programs are in compliance with Federal, State, and local statutes, ordinances, rules and regulations. The chart below depicts projected expenditures through 2016.

---

<sup>7</sup> Administrative Code of the City of Altoona (As amended by Ordinance No. 5667) Section 7.31(A) Adopted 9/9/2015

## Human Resources – Projected Baseline Expenditures

Expenditures	2016 Est	2017 P	2018 P	2019 P	2020 P	2021 P
Salary	\$ 223,892	\$ 235,334	\$ 240,041	\$ 244,841	\$ 249,738	\$ 254,733
Employee Insurance & UC/WC	549,665	560,035	571,683	583,587	595,752	608,185
FICA & Social Security	17,236	17,925	18,284	18,650	19,023	19,403
Other Employee Expenses	26,500	26,860	27,267	27,683	28,106	28,538
<b>Total Expenditures</b>	<b>\$ 817,293</b>	<b>\$ 840,154</b>	<b>\$ 857,275</b>	<b>\$ 874,760</b>	<b>\$ 892,619</b>	<b>\$ 910,859</b>

### Initiatives

#### **PER01. Establish a Performance Review Process**

**Target outcome:** Improved Accountability  
**Responsible party:** City Council, City Manager and Human Resources Director

The City shall establish a process for conducting annual performance evaluations. The process shall provide employees with the understanding of what constitutes strong performance and objectives to achieve that performance.

Prior to establishing a Performance Review Process, the City should update position descriptions and job responsibilities. Employee reviews should be performed annually for all employees.

#### **PER02. Develop a Performance Management System**

**Target outcome:** Improved Accountability  
**Responsible party:** Human Resources Director

This Amended Recovery Plan recommends the formation of a performance management system that tracks activity and achievement across all departments. Systematic reporting on performance against scheduled tasks and activities is essential to effective and efficient management of limited resources. The Human Resources Department shall work with all City Departments to identify applicable performance measures that can be used for operational improvements and resource utilization reporting.

#### **PER03. Review Vehicle Usage and Establish a Vehicle Usage Policy**

**Target outcome:** Cost Savings  
**Responsible party:** Director of Public Works, Director of Human Resources and City Manager

The City currently has a large number of employees who are provided City vehicles which they are authorized to take home. Many of these employees serve administrative and management positions that do not need a vehicle to fulfill job responsibilities. Take home vehicles should only be authorized for employees that are on call 24/7 and who must be required to report to emergency situations immediately without reporting to City Hall to retrieve a vehicle.

In addition to the increased costs of acquiring and maintaining a larger fleet of vehicles than necessary, the City is exposed to increased liability when a vehicle is involved in an accident that occurs while being operated for non-City purposes.

Solutions addressed in the Vehicle Usage Policy may include, but are not limited to, creating a motor pool to provide City employees access to different types of vehicles that fit task needs to carry out City services or reimbursing employees for mileage driven in personal vehicles.

**PER04. Automate payroll and purchasing software**

<b>Target outcome:</b>	Efficiency Improvements
<b>Responsible party:</b>	City Manager, Director of Finance, and Director of Human Resources

The City must utilize technology to eliminate duplicative practices and streamline administrative processes at all times. The City shall make sure that its new municipal software system has the capacity to provide integrated electronic time entry for payroll and its accounts payables and purchase orders.

***Finance Department***

The Finance Department is responsible for performing all financial and accounting functions for the City.<sup>8</sup> It assists departments and other units of the City to carry out their fiduciary responsibilities. The Director of Finance, as the department head, who is responsible to the City Manager for supervising and administering the department as well as collecting and receiving all taxes and other monies due or receivable by the City, or to authorize other municipal units to do so. The Director develops all tax rolls, which are not prepared by other political subdivisions of the Commonwealth, and oversees the collection of the City tax claims and liens, maintains a uniform accounting system in accordance with generally accepted accounting principles. The responsibilities of the Director include, but are not limited to, the following:

- (1) disbursing all payments for authorized expenditures,
- (2) administering the payroll,
- (3) depositing monies in depositories authorized by ordinance,
- (4) providing for prudent and safe investment of monies,
- (5) administering the purchasing system, including purchasing materials, services and equipment for the City; preparing and evaluating standards and specifications for materials, services and equipment, and storing materials and equipment, and
- (6) for maintaining an inventory control system for all real and personal property.

---

<sup>8</sup> Administrative Code of the City of Altoona (As amended by Ordinance No. 5667) Section 7.25(A) Adopted 9/9/2015

## Finance Department – Projected Baseline Expenditures

Expenditures	2016 Est	2017 P	2018 P	2019 P	2020 P	2021 P
Salary	\$ 267,553	\$ 278,831	\$ 284,408	\$ 290,096	\$ 295,898	\$ 301,816
Employee Insurance & UC/WC	57,871	60,740	63,751	66,913	70,232	73,716
Pensions	492,824	512,537	522,788	533,243	543,908	554,786
FICA & Social Security	20,515	21,336	21,762	22,198	22,642	23,094
Other Employee Expenses	1,050	1,050	1,050	1,050	1,050	1,050
Maintenance, Materials, Supplies & Equipment	18,000	18,324	18,690	19,064	19,446	19,834
General Insurance	338,000	344,084	350,966	357,985	365,145	372,448
Professional & Contractual Services	304,031	309,504	315,694	322,008	328,448	335,017
Miscellaneous Expenditures	48,327	49,126	50,029	50,951	51,891	52,850
<b>Total Expenditures</b>	<b>\$ 1,548,171</b>	<b>\$ 1,595,531</b>	<b>\$ 1,629,138</b>	<b>\$ 1,663,507</b>	<b>\$ 1,698,658</b>	<b>\$ 1,734,611</b>

### ***Public Works Department***

The Public Works Department is responsible for all design, construction, operation and maintenance of all physical structures and facilities that are owned and maintained by the City, and provides vehicle repair and similar support services to other City departments and agencies.<sup>9</sup> The Department is headed by a director, who is responsible to the Manager for the performance and function of the Department. The Director's responsibilities include: providing engineering services for the City, constructing and maintaining the streets, bridges, curbs, and gutters of the City, installing and maintaining traffic control devices and directional signs and signals, and controlling the planting and maintenance of trees and other vegetation along municipal rights-of-way. The Director also oversees the repair and maintenance of all municipal vehicles. Lastly, the Director is responsible for planning, developing, designing, and administering, in cooperation with the appropriate departments and agencies, the expansion and modification of facilities, and maintenance of buildings through custodial services for all municipal buildings.

## Public Works Department – Projected Baseline Expenditures

Expenditures	2016 Est	2017 P	2018 P	2019 P	2020 P	2021 P
Salary	\$ 2,162,084	\$ 2,271,192	\$ 2,316,616	\$ 2,362,949	\$ 2,410,208	\$ 2,458,412
Overtime	75,000	75,000	75,000	75,000	75,000	75,000
Employee Insurance & UC/WC	474,699	498,017	522,501	548,209	575,203	603,546
FICA & Social Security	171,204	178,052	181,613	185,245	188,950	192,729
Other Employee Expenses	5,700	5,700	5,700	5,700	5,700	5,700
Maint., Materials, Supplies & Equipment	234,000	237,764	242,021	246,363	250,793	255,311
Vehicle Expenses	450,500	458,456	467,455	476,634	485,997	495,547
Utilities	181,000	184,258	187,943	191,702	195,536	199,447
Professional & Contractual Services	3,000	3,000	3,000	3,000	3,000	3,000
Miscellaneous Expenditures	14,520	14,520	14,520	14,520	14,520	14,520
<b>Total Expenditures</b>	<b>\$ 3,771,707</b>	<b>\$ 3,925,960</b>	<b>\$ 4,016,370</b>	<b>\$ 4,109,323</b>	<b>\$ 4,204,907</b>	<b>\$ 4,303,212</b>

<sup>9</sup> Administrative Code of the City of Altoona (As amended by Ordinance No. 5667) Section 7.26(A) Adopted 9/9/2015

## ***Police Department***

The Police Department performs law enforcement activities for all State and City traffic and safety ordinances, laws, and regulations.<sup>10</sup> The department head is the Chief of Police, who is responsible to the Manager for the performance of the department. The Chief is responsible for enforcing all criminal laws, traffic laws, and ordinances. Additionally, the Chief is responsible for detecting and apprehending offenders and suspected persons, maintaining temporary detention facilities for the safekeeping of arrested persons, developing and conducting community relations and education programs, and operating and maintaining the police mobile radios, portables, base station and other components of the police communication system except to the extent that these functions are performed by another agency. The Chief maintains records and files of crimes and criminals.

### **Police Department – Projected Baseline Expenditures**

<b>Expenditures</b>	<b>2016 Est</b>	<b>2017 P</b>	<b>2018 P</b>	<b>2019 P</b>	<b>2020 P</b>	<b>2021 P</b>
Salary	\$ 4,515,589	\$ 5,164,623	\$ 5,256,702	\$ 5,341,913	\$ 5,434,295	\$ 5,516,444
Overtime	153,000	153,000	153,000	153,000	153,000	153,000
Employee Insurance & UC/WC	1,565,653	1,643,798	1,725,565	1,811,411	1,901,542	1,996,170
Pensions	2,175,571	2,245,429	2,313,007	2,373,750	2,430,173	2,475,866
FICA & Social Security	93,366	68,830	70,849	72,675	74,378	75,779
Other Employee Expenses	131,400	132,120	132,934	133,765	134,612	135,477
Maint., Materials, Supplies & Equipment	46,000	46,765	47,630	48,513	49,413	50,331
Vehicle Expenses	57,300	58,020	58,834	59,665	60,512	61,377
Utilities	38,000	38,684	39,458	40,247	41,052	41,873
Professional & Contractual Services	500	500	500	500	500	500
Commission & Organization Grants	1,500	1,500	1,500	1,500	1,500	1,500
Miscellaneous Expenditures	40,250	40,250	40,250	40,250	40,250	40,250
<b>Total Expenditures</b>	<b>\$ 8,818,129</b>	<b>\$ 9,593,520</b>	<b>\$ 9,840,229</b>	<b>\$ 10,077,189</b>	<b>\$ 10,321,228</b>	<b>\$ 10,548,567</b>

## ***Fire Department***

The Fire Department is responsible for the protection of the public and property from the dangers of fire by providing fire control, fire prevention education, and fire prevention code inspections. The Department also provides vehicle and technical rescue services and responds to hazardous materials incidents, acts of terrorism, and natural disasters, along with assisting emergency medical services. The department head is the Fire Chief who is responsible to the Manager for the performance and functions of the Fire Department. The Chief is also responsible for, but not limited to, preventing and extinguishing fires, identifying, removing, and controlling fire hazards, enforcing laws, ordinances, rules, and regulations relating to fires and fire hazards, maintaining records and information relating to fires and fire hazards, and conducting investigations, in cooperation with police authorities, into suspected crimes relating to fire and any fires of suspicious origin. Additionally, the Chief is responsible for developing and conducting community relations and education programs, operating and maintaining the fire radio, fire alarm and other components of the fire emergency communication system. The Fire Department serves as medical first responder until technicians arrive, provides rescue services, and responds to all hazardous materials emergencies within the City.

<sup>10</sup> Administrative Code of the City of Altoona (As amended by Ordinance No. 5667) Section 7.27(A) Adopted 9/9/2015

## Fire Department – Projected Baseline Expenditures

Expenditures	2016 Est	2017 P	2018 P	2019 P	2020 P	2021 P
Salary	\$ 3,631,215	\$ 3,981,911	\$ 4,050,764	\$ 4,118,127	\$ 4,197,418	\$ 4,275,474
Overtime	240,000	240,000	240,000	240,000	240,000	240,000
Employee Insurance & UC/WC	1,472,045	1,550,692	1,633,146	1,720,044	1,811,629	1,908,154
Pensions	3,084,533	3,146,224	3,209,148	3,273,331	3,338,798	3,405,574
FICA & Social Security	58,400	58,824	59,779	60,713	61,818	62,904
Other Employee Expenses	64,875	65,269	65,714	66,168	66,632	67,104
Maint., Materials, Supplies & Equipment	46,000	46,774	47,649	48,542	49,453	50,382
Vehicle Expenses	63,000	64,134	65,417	66,725	68,060	69,421
Utilities	29,500	29,977	30,517	31,067	31,628	32,201
<b>Total Expenditures</b>	<b>\$ 8,689,568</b>	<b>\$ 9,183,803</b>	<b>\$ 9,402,134</b>	<b>\$ 9,624,718</b>	<b>\$ 9,865,435</b>	<b>\$ 10,111,214</b>

### ***Codes and Inspections Department***

The Codes and Inspections Department protects the citizens and property in the City through the administration and enforcement of building, plumbing, mechanical, electrical, property maintenance, zoning, and other related codes and ordinances designed to ensure public health, safety, and welfare.<sup>11</sup> The Department head is the Director, who is responsible to the Manager for the performance and function of the Department. The Director also has the responsibility to administer and enforce all building, plumbing, mechanical, and electrical codes as they relate to new construction, demolition, and alterations to existing structures. Additionally, the Director is responsible for administering and enforcing property maintenance codes, zoning and subdivisions. The Department, currently, collects all monies due to the City from the issuance of permits, inspection fees, and licenses. The Director serves as secretary (or appoints a designee) to the Board of Health, the Plumbing Board, the Blighted Property Review Board, and the Altoona Code of Appeals Board. The Director of Community Development currently serves as the Director of Codes and Inspections. Over the last six months, the City Manager has taken a more active role in the leadership and management of the Department of Codes and Inspections.

### ***Community Development Department***

The responsibilities of the Community Development Department include, but are not limited to, the following:

- (1) prepare, update, and recommend the adoption of a City Comprehensive Plan, which includes the development and preparation of associated land use controls,
- (2) administer and coordinate the review of all subdivisions, land development, and planned residential development plans and projects,

<sup>11</sup> Administrative Code of the City of Altoona (As amended by Ordinance No. 5667) Section 7.29(A) Adopted 9/9/2015



- (3) coordinate with Federal, State, regional and local agencies and organizations that are involved in planning, redevelopment, housing, transportation, and economic development activities that will affect the City.<sup>12</sup>

The Department collaborates with other agencies, organizations, and development entities to implement the City's Comprehensive Plan and related specific development or redevelopment projects, as well as to prepare applications and contracts for public or private funding and financing of specific activities or projects, and to administer programs and projects. The Department prepares specific studies, specifications, plans, and programs to meet project requirements or City information needs, which includes providing staff and other professional and technical support to the Altoona Planning Commission and the Altoona Redevelopment Authority, in their respective functions. The Department of Community Development is headed by a director who is responsible to the City Manager for the performance and function of the Department. The Director also has the duty to develop, prepare, and recommend land use ordinances and an official map and to administer and coordinate the review of all subdivisions, land development and planned residential development plans and projects.

The responsibilities of the Director include, but are not limited to, the following:

- (1) to prepare the application for public or private funding of specific activities or projects,
- (2) to assist in the development of a capital improvement program,
- (3) to administer housing rehabilitation programs, and
- (4) to coordinate housing development activities with the other public and private housing agencies.

The Director prepares specific studies, reports, specifications, and plans to meet program or project requirements, develops, maintains and coordinates relevant data base files including the United States Census Data. Additionally, the Director is responsible to coordinate the development and utilization of the City's Geographic Information System and to provide staff and other professional and technical support to the Altoona Planning Commission, Shade Tree Commission, Blighted Property Review Board and Redevelopment Authority. The Director oversees the removal of blight and the redevelopment of the City by acquiring and disposing of property in the City. Finally, the Director promotes the public interest in, and understanding of, governmental, civic, and private agencies.

---

<sup>12</sup> Administrative Code of the City of Altoona (As amended by Ordinance No. 5667) Section 7.30(A) Adopted 9/9/2015

## Planning and Community Development Department – Projected Baseline Expenditures

<b>Expenditures</b>	<b>2016 Est</b>	<b>2017 P</b>	<b>2018 P</b>	<b>2019 P</b>	<b>2020 P</b>	<b>2021 P</b>
Salary	\$ 620,695	\$ 636,329	\$ 649,056	\$ 662,037	\$ 675,277	\$ 688,783
Employee Insurance & UC/WC	154,904	162,587	170,653	179,121	188,012	197,345
FICA & Social Security	47,539	49,441	50,429	51,438	52,467	53,516
Other Employee Expenses	2,000	2,000	2,000	2,000	2,000	2,000
Maint., Materials, Supplies & Equipment	7,000	7,110	7,234	7,361	7,490	7,622
Professional & Contractual Services	75,000	76,350	77,877	79,435	81,023	82,644
Capital Equipment	16,872	17,176	17,519	17,870	18,227	18,592
Miscellaneous Expenditures	500	500	500	500	500	500
<b>Total Expenditures</b>	<b>\$ 924,510</b>	<b>\$ 951,492</b>	<b>\$ 975,268</b>	<b>\$ 999,761</b>	<b>\$ 1,024,996</b>	<b>\$ 1,051,001</b>

# Finance Department

## Overview

The Finance Department handles many traditional functions of a government's finance unit, including budgeting, accounting, purchasing, and some that are not, such as human resources. The specific functions within the Department are:

- The Finance Director (who also currently serves as Human Resources Director) oversees the administrative aspects of the Department. The City's 2016 budget anticipates separating these functions into two full-time positions. The Finance Director reports to the City Manager.
- The Finance Department is responsible for accounting functions, preparing the City's budget, recording the City's financial transactions, maintaining the general ledger, paying obligations due, preparing payroll function, and processing City receipts.
- The Finance Department administers and collects most of the City's non-tax revenues and certain taxes. Property taxes and other Local Tax Enabling Act taxes are collected by third party vendors and earned income taxes (EIT) are collected by the Blair County Tax Collection Bureau (BCTCB).
- The purchasing function has one employee, the Purchasing Agent, who handles purchasing for all City departments. The Purchasing Agent is authorized to secure quotes for purchases up to \$750. Purchases of goods and services over \$750, but less than \$19,100, are required to receive three written and/or telephone quotations. The procurement of goods or services at \$19,100 is proscribed by the Home Rule Charter *Article X. Contracts* with policies enacted by the City Council by ordinance. The Mayor and Manager are authorized to execute contracts for the City.

## Staffing

The Department has a budgeted headcount of five full-time and one part-time employee for 2016. A separate position of Finance Director was added for the 2016 Budget. Other positions include, Deputy Finance Director, Purchasing Agent, Payroll Clerk and one full-time and one part-time Clerical Associates.

## Projections

The table below shows the Department's projected baseline expenditures for 2016 through 2021.

### Finance Department – Projected Baseline Expenditures

Expenditures	2016 Est	2017 P	2018 P	2019 P	2020 P	2021 P
Salary	\$ 267,553	\$ 278,831	\$ 284,408	\$ 290,096	\$ 295,898	\$ 301,816
Employee Insurance & UC/WC	57,871	60,740	63,751	66,913	70,232	73,716
Pensions	492,824	512,537	522,788	533,243	543,908	554,786
FICA & Social Security	20,515	21,336	21,762	22,198	22,642	23,094
Other Employee Expenses	1,050	1,050	1,050	1,050	1,050	1,050
Maintenance, Materials, Supplies & Equipment	18,000	18,324	18,690	19,064	19,446	19,834
General Insurance	338,000	344,084	350,966	357,985	365,145	372,448
Professional & Contractual Services	304,031	309,504	315,694	322,008	328,448	335,017
Miscellaneous Expenditures	48,327	49,126	50,029	50,951	51,891	52,850
<b>Total Expenditures</b>	<b>\$ 1,548,171</b>	<b>\$ 1,595,531</b>	<b>\$ 1,629,138</b>	<b>\$ 1,663,507</b>	<b>\$ 1,698,658</b>	<b>\$ 1,734,611</b>

## Initiative

The Finance Department plays a key role in implementing the Recovery Plan and balancing the City's finances going forward. The initiatives below are focused on improving controls, communications, efficiencies (especially in use of technology), and reducing costs.

### AFD01. Financial Policies

<b>Target outcome:</b>	Improved management controls
<b>Five-year financial impact:</b>	Not available
<b>Responsible party:</b>	City Council and Finance Department

A thorough review should be performed of certain policies related to travel, purchasing, capital assets, and various human resource related topics and be expanded or revised as needed. The City should supplement any written financial policies currently in place encompassing such areas as purchasing, human resources, travel, accounting controls, debt management, and financial reserves / "rainy day fund" balances.

As identified in the annual audit, the lack of personnel does not allow the City to have a complete segregation of duties. In response, the City states budgetary constraints have limited its number of employees, but that the Finance Director and Controller (formerly) both reviewed all financial transactions and signed all purchase orders and checks.

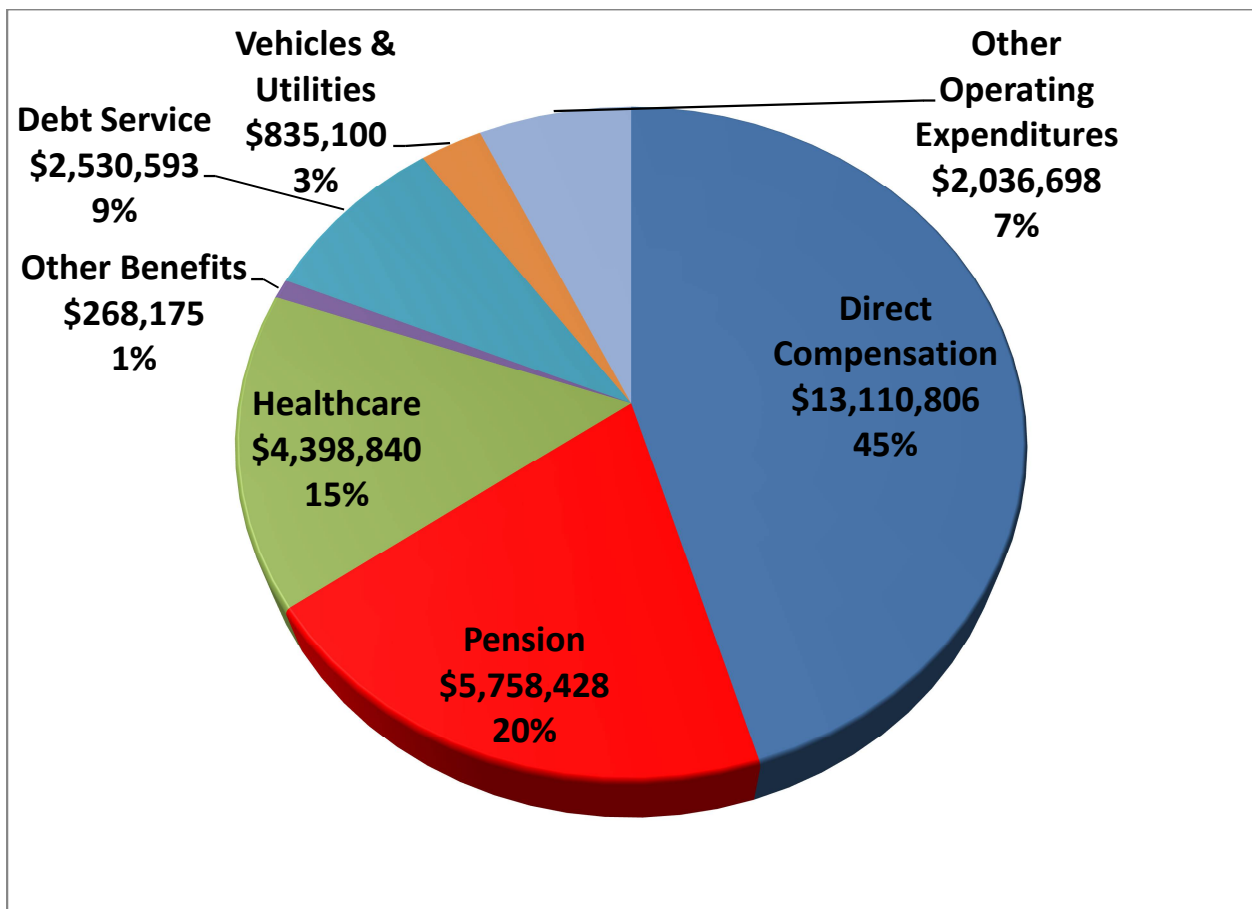
Dependent upon resources, the City should work with its independent auditor to implement policies and practices that can improve internal controls. However, priority should be given to acquiring (or upgrading) and implementing an integrated fund accounting and financial reporting program that incorporates contemporary controls and features that will, by definition, significantly improve the existing control structure.

# Workforce and Collective Bargaining

## Overview

As with most local governments, the services provided by the City of Altoona are labor-intensive. The City requires people to maintain safe and clean streets, prevent and investigate crime, respond to fire and other emergencies, and deliver the other important services of municipal government. As a result, employee wages and benefits account for approximately \$23.5 million, or 81.3%, of the City's \$28.9 million General Fund expenditures budgeted for FY2016. The chart below shows the 2016 budgeted personnel and other expenditures from the City's General Fund.

**FY2016 Budgeted Expenditures  
General Fund**



Workforce expenditures are a function of both the total number of employees on payroll and the cost per employee, as determined by wage and benefits levels and future growth in those areas.

Given that workforce expenditures represent such a large percentage of the City's total expenses, employee compensation (salaries and fringe benefits) and numbers were necessarily

modified in the Recovery Plan in order to correct the City's structural deficit and restore the City's fiscal health. Many of the Initiatives were successfully implemented and are continuing. The new collective bargaining agreements resulting from completed negotiations with the FOP, IAFF and AFSCME comply with the Initiatives, and have significantly contributed to the City's ability to operate without a structural deficit. Workforce expenditures must continue to be carefully managed in order to maintain the City's fiscal health and enable the City to exit Act 47. Employee compensation costs must continue to be kept in line with the City's revenues.

The Recovery Plan froze salaries as well as other compensation for all City employees, beginning with the management and non-union employees in 2013, and the FOP, IAFF and AFSCME employees in 2014 after the expiration of their respective collective bargaining agreements. The Amended Plan provides for annual salary increases beginning in 2017, as well as additional compensation in 2017 which takes into account the prior salary freezes as well as the savings in the cost of health insurance resulting from a reduction in overall premium rates. There are also provisions for filling vacancies and restructuring positions so that the City may maintain adequate staffing and provide improved but necessary services.

The Initiatives outlined below are intended to maintain a structurally balanced budget while providing reasonable compensation increases. The Initiatives are intended to continue to allow the City to focus its attention on improving City services, instead of merely sustaining them, and continue its course of financial recovery and growth, instead of merely surviving as a municipal entity.

It is the intention of the Act 47 Coordinator that the City negotiate in good faith with the bargaining unit representatives to incorporate these cost containment provisions and any others throughout this Amended Recovery Plan that may require changes to the collective bargaining agreements into those agreements. However, to the extent that the City is unable to reach agreement with any of its unions, resulting in interest arbitration or other legal proceedings, it is the express intention of the Act 47 Coordinator and the City that the implementation of these cost containment provisions and any others throughout this Amended Recovery Plan are mandatory. All cost containment provisions must be addressed.

Wherever reference is made to parameters for all bargaining units, employee groups or collective bargaining agreements, such provision shall also apply fully to non-represented personnel unless expressly stated otherwise. Further, wherever reference is made to parameters for provisions in collective bargaining agreements, such provisions shall also fully apply to any side agreements, memoranda of understanding, interest arbitration awards, grievance arbitration awards, settlement agreements or any other documents. Further, no past practices shall in any manner interfere with any of the initiatives in this Amended Recovery Plan.

It is the specific intent of the Act 47 Coordinator that no provisions of any collective bargaining agreements, memoranda of understanding, side agreements, interest arbitration awards, grievance arbitration awards, settlement agreements, nor any other documents nor past practices may be interpreted or applied, nor may any new provisions be added to any such agreements or documents, which would have the effect of additional costs to the City for the implementation of any of these initiatives or of any of the initiatives in this Amended Recovery Plan. This includes by way of illustration but not limitation, severance pay, overtime, premium pay and additional hours of work.

# Initiatives

## General

### **WF01. Ensure Future Collective Bargaining and Labor Agreements Remain Compliant with Amended Recovery Plan**

**Target outcome:** Cost Reduction

**Responsible party:** City Manager, Director of Human Resources, and City Council

**Impacted employee group:** All employee groups

No person or entity, including (without limitation) the City, any union representing City employees and any arbitrator appointed pursuant to Act 111 or otherwise, shall continue in effect past the stated expiration date of any current labor agreement the wages, benefits or other terms and conditions of the existing labor agreement if such wages, benefits or other terms or conditions are inconsistent with the initiatives made in this Amended Recovery Plan.

All collective bargaining agreements, interest arbitration awards, settlements, memoranda and agreements of any kind issued or entered into after the adoption of the Amended Recovery Plan must be effective at the earliest possible date, and no later than the expiration of the then current collective bargaining agreements and interest arbitration awards. This shall apply even if the agreement is entered into or the arbitration award is executed subsequent to the effective dates, thus requiring that the agreements or awards be retroactive.

The City shall take steps to promptly bargain all new collective bargaining agreements and shall follow all time limits for interest arbitration so that any interest arbitration award shall be issued prior to the expiration of the collective bargaining agreement. The timelines contained in Act 111 shall be adhered to strictly and may not be waived. If an arbitration award is not issued prior to the expiration of the collective bargaining agreement then the City shall implement all of the provisions and initiatives of the Amended Recovery Plan to the maximum extent legally consistent with Act 47.

If this Amended Recovery Plan is extended to cover any period of time subsequent to its initial term, then, unless and until the initiatives made in this Amended Recovery Plan are revised, any labor agreement between the City and any union representing City employees (whether resulting from collective bargaining, interest arbitration pursuant to Act 111 or otherwise) covering such subsequent period shall comply with the Initiatives made herein without regard to the period of agreement specified in any such Initiative.

All collective bargaining agreements, interest arbitration awards, settlements, memoranda and agreements of any kind issued or entered into after the adoption of the Amended Recovery Plan must be strictly compliant with and not exceed the total projected costs for each bargaining unit after implementation of the following initiatives in this Workforce and Collective Bargaining Chapter as shown below.

The total projected impact of the Workforce and Collective Bargaining Initiatives in this Chapter by bargaining unit are shown in the charts below. The net results are maximum expenditures

limits for each bargaining unit and group of employees for each year of this Amended Recovery Plan plus subsequent years. These initiatives included in the charts below, which include selected initiatives from other Chapters which are subjects of and related to collective bargaining, are in addition to initiatives in other Chapters not shown below. The total maximum expenditures limits shown in the charts below are without consideration of such other initiatives, and any other initiatives shall not be used to offset or increase the maximum allowable expenditures shown below. Further, should any listed initiative not be implemented for any reason whatsoever, including any legal challenges, the cost savings from such initiative must be replaced with other cost savings related to issues and items in this Workforce and Collective Bargaining Chapter and subject to the applicable collective bargaining or employee agreement.

<b>AFSCME – Non Uniform</b>	<b>2016 Est</b>	<b>2017 P</b>	<b>2018 P</b>	<b>2019 P</b>	<b>2020 P</b>	<b>2021 P</b>
Salary without Step	\$ 2,427,133	\$ 2,546,925	\$ 2,597,864	\$ 2,649,821	\$ 2,702,818	\$ 2,756,874
Base	2,406,973	-	-	-	-	-
Longevity	20,160	-	-	-	-	-
Holiday Pay	-	-	-	-	-	-
Additional Compensation	-	71,250	-	-	-	-
Step	-	-	-	-	-	-
Pension Contrib	492,824	515,935	525,966	536,199	546,636	557,281
FICA/Social Security	198,373	207,676	211,714	215,833	220,034	224,319
Health Insurance – All Depts	-	-	-	-	-	-
Active Premium – Health	540,389	567,408	595,779	625,568	656,846	689,688
Active Premium – Vision	7,671	8,055	8,458	8,880	9,324	9,791
Active Premium – Dental	-	-	-	-	-	-
Active – Opt Outs	12,617	13,248	13,910	14,606	15,336	16,103
Active – HSA Contributions	53,950	53,950	53,950	53,950	53,950	53,950
Retiree Premium – Basic	-	-	-	-	-	-
Retiree Premium – MM	-	-	-	-	-	-
Retiree Premium – Drug	-	-	-	-	-	-
Retiree Premium – Vision	-	-	-	-	-	-
Retiree Premium – Dental	-	-	-	-	-	-
Retiree – Opt Outs	-	-	-	-	-	-
Retiree – HSA Contribution	-	-	-	-	-	-
Workers Compensation	110,958	112,955	115,214	117,519	119,869	122,266
Life Insurance, AD&D, Ltd-All Depts	11,103	11,770	12,476	13,224	14,018	14,298
Unemployment Compensation	2,113	2,156	2,199	2,243	2,288	2,333
Sick Pay Incentive	-	-	-	-	-	-
Overtime	75,500	75,500	75,500	75,500	75,500	75,500
Shift Differential	-	-	-	-	-	-
Temporary Rate	-	-	-	-	-	-
Holiday Pay	-	-	-	-	-	-
Court Time	-	-	-	-	-	-
Haz Mat Incentives – Coll. Bargaining	-	-	-	-	-	-
Retiree-Sick Buyback	-	-	-	-	-	-
Uniform	-	-	-	-	-	-
Higher Education Reimbursement	-	-	-	-	-	-
<b>Bargaining Unit Total Before Initiatives</b>	<b>\$ 3,932,632</b>	<b>\$ 4,115,577</b>	<b>\$ 4,213,029</b>	<b>\$ 4,313,342</b>	<b>\$ 4,416,618</b>	<b>\$ 4,522,404</b>



<b>AFSCME – M&amp;D</b>	<b>2016 Est</b>	<b>2017 P</b>	<b>2018 P</b>	<b>2019 P</b>	<b>2020 P</b>	<b>2021 P</b>
Salary without Step	\$ 328,333	\$ 341,549	\$ 348,380	\$ 355,348	\$ 362,455	\$ 369,704
Base	323,773	-	-	-	-	-
Longevity	4,560	-	-	-	-	-
Holiday Pay	-	-	-	-	-	-
Additional Compensation	-	6,650	-	-	-	-
Step	-	-	-	-	-	-
Pension Contrib	33,902	35,258	35,963	36,683	37,416	38,164
FICA/Social Security	25,117	26,122	26,644	27,177	27,720	28,275
Health Insurance – All Depts	-	-	-	-	-	-
Active Premium – Health	41,720	43,806	45,997	48,297	50,711	53,247
Active Premium – Vision	611	641	673	707	742	779
Active Premium – Dental	-	-	-	-	-	-
Active – Opt Outs	2,179	2,288	2,403	2,523	2,649	2,781
Active – HSA Contributions	3,900	3,900	3,900	3,900	3,900	3,900
Retiree Premium – Basic	-	-	-	-	-	-
Retiree Premium – MM	-	-	-	-	-	-
Retiree Premium – Drug	-	-	-	-	-	-
Retiree Premium – Vision	-	-	-	-	-	-
Retiree Premium – Dental	-	-	-	-	-	-
Retiree – Opt Outs	-	-	-	-	-	-
Retiree – HSA Contribution	-	-	-	-	-	-
Workers Compensation	13,290	13,529	13,799	14,075	14,357	14,644
Life Insurance, AD&D, Ltd-All Depts	1,330	1,410	1,494	1,584	1,679	1,713
Unemployment Compensation	253	258	263	269	274	279
Sick Pay Incentive	-	-	-	-	-	-
Overtime	-	-	-	-	-	-
Shift Differential	-	-	-	-	-	-
Temporary Rate	-	-	-	-	-	-
Holiday Pay	-	-	-	-	-	-
Court Time	-	-	-	-	-	-
Haz Mat Incentives – Coll. Bargaining	-	-	-	-	-	-
Retiree-Sick Buyback	-	-	-	-	-	-
Uniform	-	-	-	-	-	-
Higher Education Reimbursement	-	-	-	-	-	-
<b>Bargaining Unit Total Before Initiatives</b>	<b>\$ 450,635</b>	<b>\$ 468,761</b>	<b>\$ 479,517</b>	<b>\$ 490,561</b>	<b>\$ 501,904</b>	<b>\$ 513,487</b>

<b>AFSCME – SG</b>	<b>2016 Est</b>	<b>2017 P</b>	<b>2018 P</b>	<b>2019 P</b>	<b>2020 P</b>	<b>2021 P</b>
Salary without Step	\$ 117,780	\$ 120,136	\$ 122,539	\$ 124,990	\$ 127,489	\$ 130,039
Base	117,780	-	-	-	-	-
Longevity	-	-	-	-	-	-
Holiday Pay	-	-	-	-	-	-
Additional Compensation	-	-	-	-	-	-
Step	-	-	-	-	-	-
Pension Contrib	-	-	-	-	-	-
FICA/Social Security	9,010	9,190	9,374	9,562	9,753	9,948
Health Insurance – All Depts	-	-	-	-	-	-
Active Premium – Health	-	-	-	-	-	-
Active Premium – Vision	-	-	-	-	-	-
Active Premium – Dental	-	-	-	-	-	-
Active – Opt Outs	-	-	-	-	-	-
Active – HSA Contributions	-	-	-	-	-	-
Retiree Premium – Basic	-	-	-	-	-	-
Retiree Premium – MM	-	-	-	-	-	-
Retiree Premium – Drug	-	-	-	-	-	-
Retiree Premium – Vision	-	-	-	-	-	-
Retiree Premium – Dental	-	-	-	-	-	-
Retiree – Opt Outs	-	-	-	-	-	-
Retiree – HSA Contribution	-	-	-	-	-	-
Workers Compensation	5,545	5,644	5,757	5,872	5,990	6,110
Life Insurance, AD&D, Ltd-All Depts	-	-	-	-	-	-
Unemployment Compensation	106	108	110	112	114	117
Sick Pay Incentive	-	-	-	-	-	-
Overtime	-	-	-	-	-	-
Shift Differential	-	-	-	-	-	-
Temporary Rate	-	-	-	-	-	-
Holiday Pay	-	-	-	-	-	-
Court Time	-	-	-	-	-	-
Haz Mat Incentives – Coll. Bargaining	-	-	-	-	-	-
Retiree-Sick Buyback	-	-	-	-	-	-
Uniform	-	-	-	-	-	-
Higher Education Reimbursement	-	-	-	-	-	-
<b>Bargaining Unit Total Before Initiatives</b>	<b>\$ 132,441</b>	<b>\$ 135,079</b>	<b>\$ 137,780</b>	<b>\$ 140,536</b>	<b>\$ 143,347</b>	<b>\$ 146,213</b>

<b>FOP</b>	<b>2016 Est</b>	<b>2017 P</b>	<b>2018 P</b>	<b>2019 P</b>	<b>2020 P</b>	<b>2021 P</b>
Salary without Step	\$ 4,180,826	\$ 4,333,793	\$ 4,420,469	\$ 4,508,878	\$ 4,599,056	\$ 4,691,037
Base	4,050,308	-	-	-	-	-
Longevity	5,518	-	-	-	-	-
Holiday Pay	125,000	-	-	-	-	-
Additional Compensation	-	69,350	-	-	-	-
Step	-	57,467	50,243	34,165	23,232	-
Pension Contrib	2,175,571	2,245,429	2,284,477	2,319,706	2,358,087	2,390,804
FICA/Social Security	65,755	68,820	69,988	71,054	72,220	73,234
Health Insurance – All Depts	-	-	-	-	-	-
Active Premium – Health	766,824	805,165	845,423	887,695	932,079	978,683
Active Premium – Vision	6,191	6,500	6,825	7,167	7,525	7,901
Active Premium – Dental	54,328	57,044	59,896	62,891	66,036	69,337
Active – Opt Outs	-	-	-	-	-	-
Active – HSA Contributions	65,650	65,650	65,650	65,650	65,650	65,650
Retiree Premium – Basic	258,583	274,098	290,544	307,977	326,455	346,043
Retiree Premium – MM	-	-	-	-	-	-
Retiree Premium – Drug	-	-	-	-	-	-
Retiree Premium – Vision	871	923	979	1,037	1,100	1,166
Retiree Premium – Dental	7,660	8,120	8,607	9,124	9,671	10,251
Retiree – Opt Outs	492,810	522,379	553,721	586,945	622,161	659,491
Retiree – HSA Contribution	14,300	14,300	14,300	14,300	14,300	14,300
Workers Compensation	166,369	169,364	172,751	176,206	179,731	183,325
Life Insurance, AD&D, Ltd-All Depts	14,152	15,001	15,901	16,855	17,867	18,939
Unemployment Compensation	3,169	3,232	3,297	3,363	3,430	3,499
Sick Pay Incentive	-	-	-	-	-	-
Overtime	217,000	217,000	217,000	217,000	217,000	217,000
Shift Differential	55,000	56,100	57,222	58,366	59,534	60,724
Temporary Rate	7,000	7,000	7,000	7,000	7,000	7,000
Holiday Pay	-	-	-	-	-	-
Court Time	75,000	75,000	75,000	75,000	75,000	75,000
Haz Mat Incentives – Coll. Bargaining	-	-	-	-	-	-
Retiree-Sick Buyback	-	-	-	-	-	-
Uniform	56,575	56,575	56,575	56,575	56,575	56,575
Higher Education Reimbursement	10,000	10,000	10,000	10,000	10,000	10,000
<b>Bargaining Unit Total Before Initiatives</b>	<b>\$ 8,693,635</b>	<b>\$ 9,068,962</b>	<b>\$ 9,285,869</b>	<b>\$ 9,496,954</b>	<b>\$ 9,723,708</b>	<b>\$ 9,939,959</b>

IAFF	2016 Est	2017 P	2018 P	2019 P	2020 P	2021 P
Salary without Step	\$ 3,679,940	\$ 3,813,389	\$ 3,889,657	\$ 3,967,450	\$ 4,046,799	\$ 4,127,735
Base	3,345,241	-	-	-	-	-
Longevity	118,681	-	-	-	-	-
Holiday Pay	216,019	-	-	-	-	-
Additional Compensation	-	59,850	-	-	-	-
Step	-	30,663	20,851	7,975	5,423	-
Pension Contrib	3,084,533	3,146,224	3,209,148	3,273,331	3,338,798	3,405,574
FICA/Social Security	56,839	58,815	59,770	60,703	61,808	62,895
Health Insurance – All Depts	-	-	-	-	-	-
Active Premium – Health	632,316	663,932	697,128	731,985	768,584	807,013
Active Premium – Vision	5,051	5,303	5,568	5,847	6,139	6,446
Active Premium – Dental	44,437	46,659	48,992	51,442	54,014	56,715
Active – Opt Outs	29,137	30,594	32,123	33,730	35,416	37,187
Active – HSA Contributions	52,650	52,650	52,650	52,650	52,650	52,650
Retiree Premium – Basic	414,818	439,708	466,090	494,055	523,699	555,121
Retiree Premium – MM	-	-	-	-	-	-
Retiree Premium – Drug	-	-	-	-	-	-
Retiree Premium – Vision	1,697	1,799	1,907	2,021	2,142	2,271
Retiree Premium – Dental	13,015	13,796	14,624	15,501	16,431	17,417
Retiree – Opt Outs	40,306	42,724	45,287	48,005	50,885	53,938
Retiree – HSA Contribution	13,260	13,260	13,260	13,260	13,260	13,260
Workers Compensation	154,720	157,505	160,655	163,868	167,145	170,488
Life Insurance, AD&D, Ltd-All Depts	20,762	22,008	23,328	24,728	26,212	27,784
Unemployment Compensation	2,947	3,006	3,066	3,127	3,190	3,254
Sick Pay Incentive	-	-	-	-	-	-
Overtime	240,000	240,000	240,000	240,000	240,000	240,000
Shift Differential	-	-	-	-	-	-
Temporary Rate	-	-	-	-	-	-
Holiday Pay	-	-	-	-	-	-
Court Time	-	-	-	-	-	-
Haz Mat Incentives – Coll. Bargaining	3,500	3,500	3,500	3,500	3,500	3,500
Retiree-Sick Buyback	-	-	-	-	-	-
Uniform	10,000	10,000	10,000	10,000	10,000	10,000
Higher Education Reimbursement	-	-	-	-	-	-
<b>Bargaining Unit Total Before Initiatives</b>	<b>\$ 8,499,928</b>	<b>\$ 8,795,533</b>	<b>\$ 8,997,605</b>	<b>\$ 9,203,178</b>	<b>\$ 9,426,096</b>	<b>\$ 9,653,247</b>

<b>Non-Bargaining</b>	<b>2016 Est</b>	<b>2017 P</b>	<b>2018 P</b>	<b>2019 P</b>	<b>2020 P</b>	<b>2021 P</b>
Salary without Step	\$ 1,449,000	\$ 1,505,530	\$ 1,535,640	\$ 1,566,353	\$ 1,597,680	\$ 1,629,634
Base	1,435,320	-	-	-	-	-
Longevity	13,680	-	-	-	-	-
Holiday Pay	-	-	-	-	-	-
Additional Compensation	-	27,550	-	-	-	-
Step	-	-	-	-	-	-
Pension Contrib	181,367	188,622	192,394	196,242	200,167	204,171
FICA/Social Security	110,848	123,460	125,929	128,448	131,017	133,637
Health Insurance – All Depts	-	-	-	-	-	-
Active Premium – Health	184,067	193,271	202,934	213,081	223,735	234,922
Active Premium – Vision	2,267	2,381	2,500	2,625	2,756	2,894
Active Premium – Dental	372	390	410	430	452	474
Active – Opt Outs	5,076	5,330	5,596	5,876	6,170	6,478
Active – HSA Contributions	16,900	16,900	16,900	16,900	16,900	16,900
Retiree Premium – Basic	-	-	-	-	-	-
Retiree Premium – MM	-	-	-	-	-	-
Retiree Premium – Drug	-	-	-	-	-	-
Retiree Premium – Vision	-	-	-	-	-	-
Retiree Premium – Dental	-	-	-	-	-	-
Retiree – Opt Outs	-	-	-	-	-	-
Retiree – HSA Contribution	-	-	-	-	-	-
Workers Compensation	74,119	75,453	76,962	78,501	80,071	81,673
Life Insurance, AD&D, Ltd-All Depts	1,060	1,060	1,060	1,060	1,060	1,060
Unemployment Compensation	1,412	1,440	1,469	1,498	1,528	1,559
Sick Pay Incentive	-	-	-	-	-	-
Overtime	-	-	-	-	-	-
Shift Differential	-	-	-	-	-	-
Temporary Rate	-	-	-	-	-	-
Holiday Pay	-	-	-	-	-	-
Court Time	-	-	-	-	-	-
Haz Mat Incentives – Coll. Bargaining	-	-	-	-	-	-
Retiree-Sick Buyback	-	-	-	-	-	-
Uniform	-	-	-	-	-	-
Higher Education Reimbursement	-	-	-	-	-	-
<b>Bargaining Unit Total Before Initiatives</b>	<b>\$ 2,026,488</b>	<b>\$ 2,113,836</b>	<b>\$ 2,161,795</b>	<b>\$ 2,211,014</b>	<b>\$ 2,261,536</b>	<b>\$ 2,313,401</b>

<b>Total</b>	<b>2016 Est</b>	<b>2017 P</b>	<b>2018 P</b>	<b>2019 P</b>	<b>2020 P</b>	<b>2021 P</b>
Salary without Step	\$12,183,013	\$12,661,323	\$12,914,549	\$13,172,840	\$13,436,297	\$13,705,023
Base	11,679,395	-	-	-	-	-
Longevity	162,599	-	-	-	-	-
Holiday Pay	341,019	-	-	-	-	-
Additional Compensation	-	234,650	-	-	-	-
Step	-	88,130	71,093	42,140	28,655	-
Pension Contrib	5,968,197	6,131,468	6,247,949	6,362,161	6,481,103	6,595,994
FICA/Social Security	465,944	494,083	503,420	512,776	522,552	532,307
Health Insurance – All Depts	-	-	-	-	-	-
Active Premium – Health	2,165,317	2,273,582	2,387,262	2,506,625	2,631,956	2,763,554
Active Premium – Vision	21,791	22,880	24,024	25,225	26,487	27,811
Active Premium – Dental	99,137	104,094	109,298	114,763	120,501	126,526
Active – Opt Outs	49,009	51,459	54,032	56,734	59,571	62,549
Active – HSA Contributions	193,050	193,050	193,050	193,050	193,050	193,050
Retiree Premium – Basic	673,402	713,806	756,634	802,032	850,154	901,163
Retiree Premium – MM	-	-	-	-	-	-
Retiree Premium – Drug	-	-	-	-	-	-
Retiree Premium – Vision	2,568	2,722	2,885	3,059	3,242	3,437
Retiree Premium – Dental	20,675	21,916	23,231	24,625	26,102	27,668
Retiree – Opt Outs	533,116	565,103	599,009	634,949	673,046	713,429
Retiree – HSA Contribution	27,560	27,560	27,560	27,560	27,560	27,560
Workers Compensation	525,000	534,450	545,139	556,042	567,163	578,506
Life Insurance, AD&D, Ltd-All Depts	48,407	51,248	54,259	57,451	60,835	63,793
Unemployment Compensation	10,000	10,200	10,404	10,612	10,824	11,041
Sick Pay Incentive	-	-	-	-	-	-
Overtime	532,500	532,500	532,500	532,500	532,500	532,500
Shift Differential	55,000	56,100	57,222	58,366	59,534	60,724
Temporary Rate	7,000	7,000	7,000	7,000	7,000	7,000
Holiday Pay	-	-	-	-	-	-
Court Time	75,000	75,000	75,000	75,000	75,000	75,000
Haz Mat Incentives – Coll. Bargaining	3,500	3,500	3,500	3,500	3,500	3,500
Retiree-Sick Buyback	-	-	-	-	-	-
Uniform	66,575	66,575	66,575	66,575	66,575	66,575
Higher Education Reimbursement	10,000	10,000	10,000	10,000	10,000	10,000
<b>Bargaining Unit Total Before Initiatives</b>	<b>\$23,735,759</b>	<b>\$24,697,748</b>	<b>\$25,275,596</b>	<b>\$25,855,586</b>	<b>\$26,473,208</b>	<b>\$27,088,711</b>

## **WF02. Use Professional Assistance for Labor Negotiations**

**Target outcome:** Improved management capacity

**Responsible party:** City Manager, Director of Human Resources, and City Council

**Impacted employee group:** All employee groups except non-represented employees

The City shall continue to retain experienced public employment labor counsel for its labor relations activities throughout the period of the Act 47 Amended Recovery Plan. The City shall select and use qualified counsel to actively participate in the review and development of negotiations proposals and serve as the chief spokesperson for all contract negotiations and interest arbitrations. In addition to using the counsel for support in collective bargaining, the City shall also use the counsel to review past practices that unnecessarily increase the cost of

operations and are permissive subjects of bargaining. The City shall provide a list of such practices to the Act 47 Coordinator at the beginning of collective bargaining negotiations with each union.

As a member of the Pennsylvania Municipal League, the City currently benefits from reduced hourly rates provided through the League's Public Employer Labor Relations Advisory Service (PELRAS). With the support of its labor counsel, the City shall make every good faith effort to achieve negotiated labor agreements consistent with this Amended Recovery Plan.

**WF03. Continue and/or establish Labor/Management Committee for AFSCME and implement for All Employee Groups**

<b>Target outcome:</b>	Improved labor-management relations, improved efficiency and potential service improvements
<b>Responsible party:</b>	City Manager, Director of Human Resources, City Council, and Department Heads
<b>Impacted employee group:</b>	All employee groups

The City shall continue and/or establish labor/management committees for all employee groups and bargaining units. The labor-management committee may establish specific task forces comprised of committee and bargaining unit members that shall explore new and innovative methods and means of providing City services, including cooperatively working to provide services more efficiently and possibly across bargaining units. Such possible changes will require extensive study and may affect new employees. These task forces should explore all possibilities of providing services, including the use of non-City employees and volunteers, as may be appropriate.

The labor-management committees shall also explore increasing certain revenue producing services which would enable the City to hire additional workers who can provide such revenue producing services at no cost to the City, while at the same time allowing these workers to provide additional other services to the City and City residents.

Each of the labor-management committees and task forces may include a member of City Council, as well as appropriate department heads.

**WF04. Limit New Contract Enhancements**

<b>Target outcome:</b>	Cost reduction and improved efficiency
<b>Responsible party:</b>	City Manager, Director of Human Resources, and City Council
<b>Impacted employee group:</b>	All employee groups

Unless, and only to the extent that, applicable law requires a change in any of the wages, benefits, terms, provisions or conditions enumerated herein, all new collective bargaining and labor agreements (which phrase shall include but not be limited to new agreements, extensions, amendments, side agreements, memoranda of understanding, arbitration awards, and settlements) between the City and the unions representing its employees (whether resulting

from collective bargaining between the parties, or interest arbitration pursuant to Act 111 as applicable, or otherwise) **must not** contain, require or provide for any of the following:

- a) Any new overtime or premium pay benefits or requirements;
- b) Any increase in existing overtime or premium pay benefits or requirements, nor the continuation of existing overtime and premium pay benefits and requirements which are modified by this Amended Recovery Plan;
- c) Any increase in pay or benefits associated with new duties, changes in duties, cross training or activities required by this Amended Recovery Plan;
- d) Any new benefits or improvements in existing benefits, nor the continuation of existing benefits which are modified by this Amended Recovery Plan;
- e) Any new paid or unpaid leave;
- f) Any improvements to existing paid or unpaid leaves, nor the continuation of existing paid and unpaid leaves which are modified by this Amended Recovery Plan;
- g) Any additional pay for time not worked;
- h) Any improvements in existing pay for time not worked, nor the continuation of existing pay for time not worked which is modified by this Amended Recovery Plan;
- i) Any new designations that time not worked counts as time worked for the purpose of computing overtime or premium pay or increases in existing designations of same, nor the continuation of designations that time not worked counts as time worked for the purpose of computing overtime or premium pay which are modified by this Amended Recovery Plan;
- j) Any new benefits for retirees or other inactive employees (e.g., those in layoff or disability status);
- k) Any improvements in existing benefits for retirees or other inactive employees, nor the continuation of existing benefits that are modified by this Amended Recovery Plan;
- l) Any other term or provision which continues any existing restrictions or which adds any new or additional restrictions on the City's Management Rights;<sup>13</sup>

---

<sup>13</sup> The term "Management Rights," as used herein, includes, without limitation, the rights to: promulgate and enforce work rules, policies and procedures; select, hire, promote, transfer, assign, determine the duties of, evaluate, layoff, recall, reprimand, suspend, discharge and otherwise discipline employees; establish, eliminate and redefine positions in accordance with the City's needs; determine the qualifications and establish performance standards for jobs and assignments; determine the methods, processes and means of performance, where and when work shall be performed, and the equipment to be used; determine the composition of the work force; create, abolish and change jobs and job duties; determine employees' hours and days of work, work schedules, shifts and reporting stations; determine whether to assign overtime and the amount required; require employees to work overtime; determine when a job vacancy exists, and select the best qualified candidate to fill it; take necessary actions in emergency situations; extend, curtail or change City operations and otherwise manage the City, its operations and its employees in its discretion.



- m) Any provision which impairs or restricts the City's ability to engage qualified contractors to perform services for the City, including services currently provided by bargaining unit personnel;
- n) Any provision which impairs or restricts the City's ability to transfer service provision to another entity, including services currently provided by bargaining unit personnel;
- o) Any provision which restricts or impairs the City's ability to effect a layoff or other reduction in its workforce, including those that require all part-time employees be laid off regardless of assignment or duties before any reductions in full-time staff can be made;
- p) Any provision which expands any arbitrator's authority to grant relief in any arbitration proceeding;
- q) Any provision which obligates the City to permit bumping of any employee on the basis of seniority, rather than on the basis of qualifications and performance, except to the extent that preference is accorded to the most senior of those employees having relatively equal qualifications and performance histories;
- r) Any provision requiring the City to pay bargaining unit employees to attend any trial, hearing or other legal proceeding, except to the extent that such employee attends any such proceeding at the request of the City,<sup>14</sup>
- s) Any provision which restricts the City's ability to require an employee to work a "light duty" position within that employee's medical restrictions, and in any department or bargaining unit within the City;
- t) Any provision obligating the City to provide "light duty" to any employee who is unable to perform the essential functions of his or her job, with or without reasonable accommodation and without posing a direct threat to the health or safety of the employee or others;
- u) Any provision which expands the bargaining unit employees' rights to present grievances to the City or to appeal grievances to arbitration;
- v) Any provision which provides any pay or other compensation to any employee for: 1) any exercise by the City of any of the above rights; or 2) the inclusion of any of the above provisions in any collective bargaining agreement; or 3) the implementation of any of the above provisions; or 4) the implementation of any of the initiatives in this Amended Recovery Plan; or
- w) Any requirement for the City to provide wages, benefits or other terms of employment to any bargaining unit based on the provisions of such wages, benefits, or other terms of employment to another bargaining unit.

---

<sup>14</sup> This provision is not intended to eliminate pay for routine police court appearances pursuant to subpoenas regarding matters handled by an officer while on duty. Rather, this provision shall provide clear management discretion to avoid automatic City pay and/or guaranteed minimum rates for attendance at grievance proceedings and other internal hearings, court appearances regarding personal affairs, etc.

## ***Cash Compensation***

### **WF05. Provide for Annual Salary Increases and Additional Compensation**

<b>Target outcome:</b>	Cost reduction
<b>Responsible party:</b>	City Manager, Director of Human Resources, and City Council
<b>Impacted employee group:</b>	All employee groups, including management employees and full time elected officials

There shall be annual wage increases beginning in 2017, which equal a combined total of Two Percent (2%) per year for all of the following components: 1) base wages and salaries, 2) longevity, and 3) any other similar components of wages and salaries with the exception of step movements. This shall apply to all new collective bargaining agreements negotiated or arbitration awards received after the adoption of this Amended Recovery Plan, for the years 2017 and subsequent years. If any collective bargaining agreements apply to the years up through 2016, they must contain the compensation freezes set forth in the original Recovery Plan.

FOP employees may progress through the current step increases for base patrolman; IAFF employees may progress through the current step increases leading to First Class Firefighter; and AFSCME employees may progress to the Six Month, One Year, Two Year and Three Year levels. Such step increases may not increase in percentage or amounts, and may not be shortened in length of time required to progress between steps, nor may any requirements for progressing through the steps be modified so as to reduce or lessen such requirements. FOP employees may progress in accordance with and upon fulfilling all of the current requirements from 60% of the base rate for a patrolman, to 75%, then 80%, then 85%, then 90%, and then 100% of the base rate for a patrolman. IAFF employees may progress in accordance with and upon fulfilling all of the current requirements from 60% of First Class Firefighter, to 70%, then 75%, then 80%, then 90% and then 100% of the First Class Firefighter base wage rate. Any modifications to the above must be reviewed by the Act 47 Coordinator and must maintain the maximum expenditure per bargaining unit, as set forth in WF01 of this Amended Recovery Plan.

The above annual wage increases shall also apply to meet and discuss first level supervisory employees and to all non-represented employees, management employees, and full-time elected officials.

### ***Additional Compensation***

In addition to the increases set forth above, there shall be an additional increase in compensation in 2017 for all employees in the total amounts as shown on the maximum expenditure charts for each bargaining unit and for the meet and discuss and management and non-represented units, as set forth in WF01. This additional increase takes into account the healthcare savings from reduced premiums, is effective in 2017, and is carried forward as part of the Total Wages compensation in subsequent years.

#### **WF06. Longevity Pay and Eligibility**

<b>Target outcome:</b>	Cost reduction
<b>Responsible party:</b>	City Manager, Director of Human Resources, and City Council
<b>Impacted employee group:</b>	All employee groups

Longevity pay and eligibility may be reinstated, but must be included within the total amounts for compensation and “Total Wages” as discussed in WF05 above, and as set forth in the maximum expenditure charts in WF01.

### ***Overtime***

Because overtime usage is driven by several factors, the Recovery Plan included initiatives to help the City control the growth in this form of compensation. The initiatives in this Section focus on collective bargaining agreement provisions that drive overtime costs. Initiatives in other chapters, particularly Police and Fire, recommend operational changes to reduce the City’s overtime costs. When taken together, they will enable the City to control overtime costs. Paid leave time contributes significantly to the necessity and use of overtime, both in filling positions, as well as reducing the time available to provide necessary services.

#### **WF07. Reduce Paid Holidays, Personal, Vacation and Sick Leave**

<b>Target outcome:</b>	Cost reduction and increased productivity
<b>Responsible party:</b>	City Manager, Director of Human Resources, and City Council
<b>Impacted employee group:</b>	All employee groups

City of Altoona employees currently receive a significant number of paid leave days annually, well in excess of many public employers and far greater than those provided by private employers. This impacts the City both in the level of services provided as well as financially. Days off, especially paid vacation and personal leave, generally require hiring additional employees to provide the services when other employees are on leave. Depending on the position, paid leave often requires other employees to fill the position on an overtime basis.

Like any kind of paid leave, sick leave can drive overtime expenses higher by creating vacancies that must be filled or work backlogs that must be reduced by employees working overtime. That potential is especially high with sick leave since the employee absences are unplanned and management has less time to adjust staff schedules to compensate for the absence. If overtime is not used, then fewer services are provided by the City.

The City shall undertake a thorough analysis and study and jointly develop with the relevant bargaining units a reduction in the number of paid leave days, following the guidelines set forth below. The City shall explore other leave models, such as paid time off.

The guidelines include the following:

- Employees shall be limited to ten holidays annually, including personal days.

- Each paid leave day shall be paid at the employee's regular base hourly rate of pay for the number of hours usually worked by that employee on his or her regular work shift or by the average hours usually worked by that employee on his or her regular work shifts; where applicable the paid leave shall be expressed in hours rather than days.
- There shall be no premium pay for those services provided on a 24 hours per day, 7 days per week basis, including police and fire services, with the exception of Christmas, Thanksgiving, and New Year's.
- Paid vacation shall not exceed the following: 40 hours after 1 year of continuous full-time employment; 80 hours after 2 years of continuous full-time employment; 120 hours after 5 years of continuous full-time employment; 160 hours after 15 years of continuous full-time employment. The City should study the effect of grandfathering current employees who have more than 15 years of service.
- Sick leave shall be limited to a maximum of ten paid days per year. If additional days are required by law for certain employees, then such shall be reduced to the minimum required by state statute, and the additional sick days shall be considered so that the total number of paid leave days including vacations, holidays and personal leave are adjusted appropriately.
- Employees shall be allowed no more than five days per year for illnesses related to family.
- Management shall have the right to determine the maximum number of employees from each platoon, shift, department or other organizational unit who can take vacation and personal leave simultaneously and to set different thresholds throughout the year. This will help the City reduce overtime and provide services associated with several employees taking vacation at the same time.
- Employees who work less than 75% of their scheduled hours per month shall not earn paid leave for that month. The 75% shall be calculated by including hours actually worked, plus hours paid as vacation leave, compensatory time, personal leave, holidays, jury duty leave and bereavement leave.
- Unused sick leave shall only be paid to employees retiring on normal full retirement, and shall not be paid to an employee's heirs or estate. The maximum amount paid for any days of unused sick leave shall not exceed 50% of the daily rate. Further, a maximum accumulation shall be established prospectively at not more than 120 days.

The specific financial impact of this initiative cannot be determined at this time. A thorough study and analysis is necessary, which will vary by department and type of service provided.

**WF08. Adjust Overtime Eligibility Thresholds to Reflect Hours Actually Worked**

**Target outcome:** Cost reduction  
**Responsible party:** City Manager, Director of Human Resources, and City Council  
**Impacted employee group:** All employee groups

In the calculation of overtime eligibility, only hours actually worked, paid vacation leave, paid holidays, paid personal leave, paid bereavement leave and paid jury duty shall be counted toward the computation of overtime. Paid sick leave, paid compensatory time and other paid or unpaid leaves shall not be counted toward the computation of overtime. To the extent that overtime eligibility for any group does not currently include paid vacation leave, paid holidays, paid personal leave, paid bereavement leave or paid jury duty leave, no adjustment shall be made to count such hours as hours worked for overtime eligibility purposes.

**WF09. Limit Compensatory Time**

**Target outcome:** Cost reduction and enhanced staffing  
**Responsible party:** City Manager, Director of Human Resources, and City Council  
**Impacted employee group:** All employee groups

Compensatory time in lieu of paying overtime can lead to inefficiency, increased overtime and pyramiding of overtime if not properly limited. To prevent these unnecessary costs, compensatory time shall be subject to the following restrictions:

- Compensatory time shall only be granted if approved by the City, and the City shall retain its right and discretion to grant or deny compensatory time, and the City's discretion cannot be limited;
- Compensatory time may not be accumulated beyond 80 hours; the maximum accumulation limit may be implemented in gradual steps;
- There shall be no duplication or pyramiding of hours; and
- Compensatory time shall not be counted as hours worked for purposes of computing overtime.

## ***Fringe Benefits***

### **WF10. Limit City's Costs for Employee Health Care and Reduce Payment for Employees Who Waive Health Insurance**

<b>Target outcome:</b>	Cost reduction
<b>Responsible party:</b>	City Manager, Director of Human Resources, and City Council
<b>Impacted employee group:</b>	All employee groups

As in other cities, managing the cost and containing the growth in the cost of employee health care coverage is critical to the City of Altoona's financial recovery. The Qualified High Deductible Health Plan and Health Savings Account structure is a significant step, but the City must limit its costs for employee health care in future years. Both the cost of health care insurance and the rate of growth are clearly unsustainable based on any measurement of current or future revenues of the City.

This initiative, including the employee contributions and the maximum cost increases to the City, shall apply to all health care benefits, including but not limited to basic, major medical, hospitalization and health care benefits, prescription benefits, dental benefits, and vision benefits.

Employees shall share in increased costs in the monthly contributions as follows: (1) the City's increase in its share of the costs of monthly contributions shall be limited to Five Percent (5%) per year (that is, the City shall be limited to paying a maximum of 105% of the amount the City paid toward the monthly cost of coverage for an employee for the same tier of coverage during the prior plan year); (2) employees shall pay any increases in costs of monthly contributions over the 5% increase up to 10%; and (3) the City and employees shall split equally any increases in the costs of monthly contributions over 10% per year.

For purposes of calculating increases in costs, the COBRA rates established by the third party administrator shall be used, and the annual increase shall be determined based on the effective date of the applicable plan year. The increases in cost shall be determined and paid by employees based on the type (tier) of coverage they are enrolled in – single, two person, three person or four or more persons, or whatever tiers are then applicable. Further, in calculating the 5% and 10% increases, the percentages shall be based on the amount paid by the City and shall not include employee contributions.

If the annual increase in monthly costs will exceed 5% for any tier or tiers of coverage, the respective unions may notify the City if they want to meet to negotiate changes in the plans and benefits in order to contain and limit costs to 5%. Increases or decreases in overall numbers of employees shall not affect these percentages. Rather, if a bargaining unit wants to analyze increased costs for the entire unit, then a fixed census of the bargaining unit employees shall be used to compare the increase in costs from one plan year to the next, based on the number of bargaining unit employees in each tier of coverage as of a date reasonably close to the date when the increased costs are being reviewed. If the parties are unable to negotiate such changes prior to the effective date of the increase, then the employees shall pay increased contributions through payroll deductions as set forth above. All employee contributions shall be through payroll deductions.

Any costs which must be paid by the City whether as premiums, penalties, costs, expenses, taxes, exchanges, or in any other manner, as a result of federal or state statutes and implementing regulations governing health insurance benefits based on the insurance benefits provided by the City and required employee contributions shall be considered a cost to the City in calculating any annual increases. Should such legislation and/or regulations require additional amounts to be paid by the City, the City may recoup such additional amounts and/or avoid the imposition of such additional amounts through either modifications to the health care plan and/or by increased employee contributions.

The City and unions should reduce healthcare expenditures by bringing plan design features in line with market norms. At a minimum, the following features should be addressed each year, to adjust and evaluate these and other cost-sharing mechanisms with periodic upward adjustments for inflation and/or changing market conditions:

- Increased copays for primary physician, specialist, and emergency room visits;
- Increased deductibles and out-of-pocket maximums;
- Increased coinsurance;
- Increase prescription copays;
- Mandate use of automatic mail order (home delivery for maintenance prescriptions, with opt-out);
- Wellness program.

Health care benefits provided to widows and dependent children of employees who die in the line of duty shall be the same health care benefits as may be provided to current employees in the bargaining unit, which shall change from time to time, and the widow and dependent children shall be required to pay the same amount as current employees would pay for such coverage, which shall change from time to time.

### ***Reduced Opt-Out Payments for Health Insurance Benefits***

The City shall maintain the reduced payments to employees who waive receipt or “opt-out” of health insurance benefits to a maximum of 20% of the City’s costs for health insurance and prescription benefits. This shall not include any portions of the premiums paid by employees.

#### **WF11. Contain Post-Retirement Healthcare Costs and Establish OPEB Trust**

<b>Target outcome:</b>	Cost reduction
<b>Responsible party:</b>	City Manager, Director of Human Resources, and City Council
<b>Impacted employee group:</b>	All employee groups

The City of Altoona shall not in any manner increase any post-retirement health benefits to any of its employees, nor provide post-retirement benefits to any employees who are not currently eligible for such benefits. The City shall continue to seek to modify and reduce such benefits in

accordance with the law. The City currently pays for the benefits on a “pay as you go” basis and has begun making payments to a restricted account to help fund future liabilities. The City should continue to make payments to this restricted account or trust as its fiscal condition permits.

To contain costs associated with these benefits, the following modifications shall be made, and if already made shall continue:

- The City shall no longer provide retiree healthcare to employees hired following the date of adoption of the original Recovery Plan. For employees covered by existing collective bargaining agreements, this shall apply to employees hired on or after January 1, 2014, which is the date immediately following the expiration of the applicable existing collective bargaining agreement.
- For all employees retiring after the date of adoption of the original Recovery Plan (or following the expiration of the existing collective bargaining agreements as noted above), the retiree may be enrolled in the same basic health plan as provided to the City’s then current employees. The City shall pay for a portion of the cost of the retired employee only. The portion paid by the City shall be equal to the amount which the City pays for single employee coverage for the City’s then current employees. The retired employee shall pay the balance of the cost of coverage. Costs of coverage shall be determined using the COBRA rates established by the third party administrator. There shall be no duplication of health care coverage, that is, a retiree who is eligible to participate in another health plan (for example, through other employment, through a spouse or through Medicare) shall not be eligible to participate in the City’s plan.
- The requirement that employees use a specified number of days of accumulated sick leave in exchange for post-retirement benefits shall continue, including exchanges for the modified benefits described above.
- There shall be no payments to retirees who opt-out or elect not to take post-retirement medical benefits.
- The City shall maintain the level of benefits provided to existing retirees but shall retain the right to change the provider. The healthcare, pension or other benefits currently provided to existing retirees and vested employees shall not be increased.

The primary impact of this initiative will be to improve the City’s long-term fiscal position, particularly in view of the City’s current and future liability for post-employment benefits. It is important to note that the financial projections included in this Amended Recovery Plan do not include the costs of providing retiree health care to future retirees, but have only included the costs of providing retiree health care to those who have already retired and are currently receiving such benefits. The financial impact of both providing such benefits to current employees who retire in the future, as well as the financial impact of limiting such post-retirement benefits for such employees, should be determined by an actuarial study. However, it is clear that there will be significant additional costs over those projected, which to date are unfunded, and that the City must both (1) minimize these significant future costs, and (2) provide a funding mechanism, such as a trust, specifically for funding post-retirement health care benefits. Failure to take both steps will prevent the City from achieving financial stability.



Therefore, the City shall also establish an Other Post-Employment Benefits (OPEB) Trust to fund these benefits.

### ***Other Initiatives***

As referenced above, there are initiatives located in other chapters of this Amended Recovery Plan that may require changes to the City's collective bargaining agreements. Although those initiatives are discussed elsewhere, it is the express intention of the Act 47 Coordinator and the City that the implementation of these initiatives is mandatory, and that all necessary amendments be made to the labor agreements between the City and any of its bargaining units entered into after the adoption date of this Amended Recovery Plan.

# Retirement Benefits

## Overview

Several of the Initiatives set forth in the Recovery Plan have been implemented either in full or in part, including changes to collective bargaining agreements and appropriate changes to the governing ordinances. The Initiatives in the Recovery Plan should be considered continuing, and those Initiatives that were not fully implemented should be carefully considered, and where possible, implemented.

## Initiatives

### **RET01. Prospectively Reduce the Level of Benefits**

**Target outcome:** Cost reduction

**Responsible party:** Cost reduction

The City shall explore the viability of prospectively replacing its pension plans with a defined contribution plan under Code Section 457 for future service. Federal tax law prohibits the use of a 401(k) plan for governmental employees, but a Code Section 457 plan, while not identical, can deliver a similar type of defined contribution retirement benefit as a 401(k) plan.

If the City concludes that a Code Section 457 plan is not a viable option, the City shall complete an actuarial study to determine if any of the following prospective changes to the City's retirement plans will reduce the amount of MMOs the City is required to contribute. If the actuarial study concludes that the change will have a positive impact on the City's MMOs, then the City shall implement the change on a prospective basis. If the City does not replace the pension plans with Code Section 457 plans, then all of the recommended cost reductions for the existing pension plans should be implemented, not just selected changes.

***Police Plan – Prospectively eliminate automatic increases:*** The Police Plan currently provides that retirees automatically receive an annual increase in their pension until they are receiving 150% of the amount they initially received. This is not customary practice in defined benefit pension plans and is an indirect way for retired employees to continue receiving enhanced benefits. This automatic increase should be eliminated. If a cost of living increase is still desired, it should be addressed on periodic basis after the required Act 205 study is completed which indicates that it is permissible for a specific year.

***Firemen's Fund – Prospectively eliminate automatic increases:*** The Firemen's Fund currently provides that retirees automatically receive an annual increase in their pension until the initial rate of retirement benefits equals 75% of compensation. This is not customary practice in defined benefit pension plans and is an indirect way for retired employees to continue receiving enhanced benefits. This automatic increase should be eliminated. If a cost of living increase is still desired, it should be addressed on a periodic basis after the required Act 205 study is completed which indicates that the increase will not adversely affect the funded status of the plan for the specific year.

***Police Plan – Reduce surviving spouse pension:*** The Police Plan provides a 100% surviving spouse benefit if the police officer dies, for any reason, after the police officer completes 12 years of service. It is customary for municipal pension plans to provide a 50%, rather than 100%, surviving spouse benefit. In addition, the Commonwealth, through Act 51 of 2009, provides a 100% benefit for police officers killed in the line of duty and so the 100% benefit provided by the Police Plan is redundant. The Police Plan should be amended to reduce the surviving spouse benefit to 50%.

***Firemen’s Fund – Reduce surviving spouse pension:*** The Firemen’s Fund provides a 100% surviving spouse benefit. It is customary for municipal pension plans to provide a 50%, rather than 100%, surviving spouse benefit. In addition, the Commonwealth, through Act 51 of 2009, provides a 100% benefit for firefighters killed in the line of duty and so the 100% benefit provided by the Firemen’s Fund is redundant. The Firemen’s Fund should be amended to reduce the surviving spouse benefit to 50%.

**RET02. Determine Status of Firemen’s Fund CBA Enhancements Before Implementation of Such Enhancements, if Applicable**

**Target outcome:** Cost containment

**Responsible party:** City Manager, Director of Finance, and Solicitor

The City obtained information and documentation to the best of its ability to verify that actuarial studies were appropriately completed and considered prior to adoption of the referenced enhancements. Further, the ordinances have or are in the process of being amended to be fully consistent with the collective bargaining agreements.

**RET03. Determine Status of Police Plan CBA Enhancements Before Implementation of Such Enhancements, if Applicable**

**Target outcome:** Cost containment

**Responsible party:** City Manager, Director of Finance, and Solicitor

The City obtained information and documentation to the best of its ability to verify that actuarial studies were appropriately completed and considered prior to adoption of the referenced enhancements. Further, the ordinances have or are in the process of being amended to be fully consistent with the collective bargaining agreements.

**RET04. Conform Police Plan CBA With the Terms of the Police Plan Ordinance**

**Target outcome:** Ensure compliance and consistency

**Responsible party:** Solicitor

The CBA governing the Police Plan and the Police Plan Ordinances have been and/or are in the process of being appropriately modified so that they are fully consistent.

**RET05. Freeze Benefit Levels for All Plans**

**Target outcome:** Cost containment

**Responsible party:** City Manager, Director of Finance, and Solicitor

The City shall not consider any further pension benefit enhancements in the collective bargaining process or otherwise. For this purpose, enhancements include, but are not limited to: increases in the benefit formula, enhancements to service increments, reductions in the percentage of compensation that members must contribute, changes to the definition of compensation that expand the sources of compensation, implementation of DROP in the Police Plan or the Non-Uniformed Plan, implementation of increases for retirees, or adding the ability to purchase years of service. Any potential increases in the salary base used for pension benefit calculations, including base pay, wages, longevity pay and other automatic, seniority-based pay increases shall be reviewed and applied to the applicable provisions in the retirement plan in order to determine their true cost.

This freeze in benefit levels shall apply to the modifications bargained in the Police and Fire collective bargaining agreements for employees hired on or after January 1, 2014.

**RET06. Remove Unlawful \$100/month Supplement for Firemen's Fund**

**Target outcome:** Cost containment and ensure compliance

**Responsible party:** City Manager, Director of Finance, and Solicitor

The Firemen's Fund provided an additional \$100 monthly benefit over and above the normal 50% retirement benefit (as adjusted for service increments). This is not permitted under the Third Class City Code and is, therefore, unlawful. This additional \$100 monthly benefit was and must continue to be eliminated prospectively.

**RET07. Consolidate Administration of the City's Three Retirement Plans**

**Target outcome:** Cost reduction

**Responsible party:** City Manager, Director of Finance, and Solicitor

Each plan is administered by its own board. Although the members of each board serve without compensation, outside vendors (such as actuaries, investment consultants, trustees, investment managers and legal counsel) receive compensation for performing various services. Information with respect to the costs associated with utilizing these outside vendors is not available in the City's records.

The City shall conduct a study comparing the total cost of administering each plan to see which model is most cost-effective. The City shall also explore the cost of utilizing the Pennsylvania Municipal Retirement System to administer the plans. The most cost effective model should then be used for all three plans. The City shall explore having all assets from the three plans consolidated into one master trust, with one set of service providers. This consolidated structure may result in significant cost efficiencies.

**RET08. Update the Police Plan to Comply with IRS Qualification Requirements**

**Target outcome:** Minimize disqualification and sanction risk to Police Plan

**Responsible party:** City Manager, Director of Finance, and Solicitor

The City shall consider utilizing the IRS' Employee Plan Compliance Resolution System for Governmental Plans in order to correct any defects in plan compliance. In light of the IRS' active audit program of governmental plans, this will minimize the potential for significant penalties at a later date.

**RET09. Seek IRS Determination Letter for Police Plan**

**Target outcome:** Minimize disqualification and sanction risk to Police Plan

**Responsible party:** Solicitor

It appears that the City has not directly sought a determination from the IRS that the Police Plan is qualified under the applicable provisions of the Code. The City should consider seeking a favorable determination letter for the Police Plan. Depending upon the timeliness of certain amendments in the past, it may be necessary for the City to utilize the IRS' Employee Plan Compliance Resolution System for Governmental Plans in order to correct any defects in plan compliance prior to seeking an IRS determination. In light of the IRS' active audit program of governmental plans, this will minimize the potential for significant penalties at a later date.

**RET10. Update the Firemen's Fund to Comply with IRS Qualification Requirements**

**Target outcome:** Minimize disqualification and sanction risk to Firemen's Fund

**Responsible party:** City Manager, Director of Finance, and Solicitor

The City shall consider utilizing the IRS' Employee Plan Compliance Resolution System for Governmental Plans in order to correct any defects in plan compliance. In light of the IRS' active audit program of governmental plans, this will minimize the potential for significant penalties at a later date.

**RET11. Seek IRS Determination Letter for Firemen's Fund**

**Target outcome:** Minimize disqualification and sanction risk to Firemen's Fund

**Responsible party:** Solicitor

It appears that the City has not directly sought a determination from the IRS that the Firemen's Fund is qualified under the applicable provisions of the Code. The City should consider seeking a favorable determination letter for the Firemen's Fund. Depending upon the timeliness of certain amendments in the past, it may be necessary for the City to utilize the IRS' Employee Plan Compliance Resolution System for Governmental Plans in order to correct any defects in

plan compliance prior to seeking an IRS determination. In light of the IRS' active audit program of governmental plans, this will minimize the potential for significant penalties at a later date.

**RET12. Seek IRS Determination Letter for Non-Uniformed Plan**

**Target outcome:** Minimize disqualification and sanction risk to  
Non-Uniformed Plan

**Responsible party:** Solicitor

It appears that the City has not directly sought a determination from the IRS that the Non-Uniformed Plan is qualified under the applicable provisions of the Code. The City should consider seeking a favorable determination letter for the Non-Uniformed Plan. Depending upon the timeliness of certain amendments in the past, it may be necessary for the City to utilize the IRS' Employee Plan Compliance Resolution System for Governmental Plans in order to correct any defects in plan compliance prior to seeking an IRS determination. In light of the IRS' active audit program of governmental plans, this will minimize the potential for significant penalties at a later date.

# Police Department

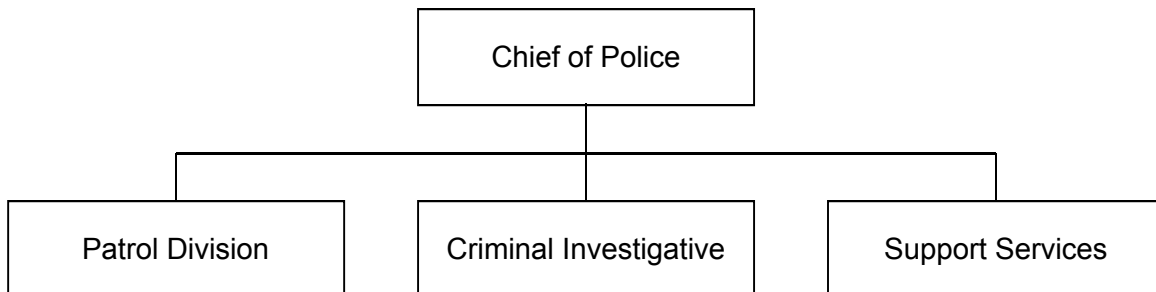
## Overview

The City of Altoona Police Department is responsible for the delivery of police services across 9.8 square miles to the City's 45,987 residents. The Department's mission statement summarizes its duties in the following terms.

*The mission of the Altoona Police Department is to professionally and diligently strive to prevent crime whenever possible, to actively pursue the enforcement of the federal, state and local laws, apprehend offenders, recover property, and regulate non-criminal conduct.*

*Members of the Altoona Police Department will continue to be aware of their responsibilities under The United States Constitution, The Constitution of Pennsylvania, and the guarantee made to ensure life, liberty and the pursuit of happiness to all citizens regardless of race, color, creed, religion, sex or age.*

## Table of Organization



The current police organizational structure and chain of command illustrated above was implemented after adoption of the City's original Act 47 Plan. Prior to the adoption of its original Act 47 Plan, the Altoona Police Department employed a Deputy Police Chief to assist with administration and management of the Police Department. The City's financial condition at the time the original Act 47 plan was adopted, required reduction in expenditures throughout City operations. In an effort to minimize the impact on the Patrol Division, the position of Deputy Chief was eliminated. A recommended Table of Organization supports the Chain of Command, which flows up and down from the Chief of Police through the layers of command and supervision, helping to support the work and to create good communication within the department.

Staff (sworn and non-sworn) members are assigned to the three divisions in the following manner:

### Administration:

Chief of Police  
Civilian Assistant

**Patrol Division:**

Lieutenant/Commanding Officer  
Sergeant – Accreditation Manager/Training Coordinator

**First Platoon: (Days)** Shift 0730-1530 and 0800-1600

1 Sergeant, Officer in Charge  
1 Sergeant, Rounds  
1 Corporal, Rounds  
12 Police Officers

**Second Platoon: (Evening)** Shift 1530-2330 and 1600-2400

1 Sergeant, Officer in Charge  
1 Sergeant, Rounds  
1 Corporal, Rounds  
12 Police Officers

**Third Platoon: (Night)** Shift 2330-0730 and 2400-0800

1 Sergeant, Officer in Charge  
2 Corporals, Rounds  
12 Police Officers

**Fourth Platoon/Directed Patrol:** Shift 2000-0400 (TEMPORARILY DISBANDED UNTIL FIVE (5) NEW HIRES COMPLETE FIELD TRAINING PROGRAM)

1 Corporal, officer in charge  
4 Police Officers

**Bike Patrol/Housing Officer:**

1 Sergeant  
4 Police Officers

**Criminal Investigation Division:**

Lieutenant/Commanding Officer

**First Shift: (Staggered Shift)** 0700-1500, 0800-1600

1 Sergeant  
4 Corporals (Investigators)

**Second Shift:** 1600-2400

1 Sergeant  
2 Corporals (Investigators)

**Narcotics:**

1 Sergeant

**Support Services Division:**

Lieutenant/Commanding Officer  
1 Sergeant – Court Proceedings/Traffic Hearings/Firearms  
1 Police Officer – Evidence Custodian  
1 Civilian – Abandoned Vehicles/Traffic Coordinator



- 1 Civilian – Dog Law Officer
- 1 Civilian – Office Supervisor
- 1 Civilian – Court Liaison
- 3 Civilians – Clerical Associates

### **Total by Position/Rank**

Position/Rank	# Employees
Chief	1
Lieutenants	3
Sergeants	11
Corporals	10
Patrol Officers	41
Civilian Employees	8
<b>Total</b>	<b>74</b>

*Patrol Division* is primarily comprised of four platoons of uniformed patrol officers with supervisors. (The Fourth Platoon 2000-0400 is temporarily disbanded until 5 new hires complete the Field Training Program.) These officers respond directly to calls for service and conduct routine patrols within the city. Additionally, the fourth platoon, when active, is deployed to address selected crimes or other issues. The bike patrol is funded by CDBG and patrols Public Housing properties. Within each platoon an officer is assigned as a turnkey. The turnkey/desk officer is responsible to take complaints/reports by phone, process all prisoners and monitors anyone placed in a holding cell. Additionally, the turnkey handles the warrant file and PFA file. The tour commander sergeant is responsible for the shift while the rounds sergeant is a more “hands on” supervisor on the street. The Chief indicated there is no policy on minimum staffing. Tour Commanders attempt to schedule at least 1 supervisor and 6 officers per shift whenever possible. At a minimum, there is to be 1 supervisor and 4 officers.

*The Criminal Investigation Division* is charged with investigating and/or clearing through arrest or other means, crimes reported to the Department. Most of these crimes are originally reported to and referred by the uniform patrol division. For reasons that are not clear, all personnel assigned to the division, with the exception of three sergeants, hold the rank of corporal. One of the sergeants is assigned as a narcotics investigator. The division collaborates with the Blair County District Attorney’s office, conducting drug investigations.

*The Support Services Division* provides a wide variety of administrative and operational support services to the Department. The division is staffed by sworn and non-sworn personnel. One Lieutenant serves as Commanding Officer, one Sergeant serves as court hearing liaison and one patrol officer serves as Evidence Custodian. Additionally, seven civilians serve in various capacities.

The Police Department is currently authorized by budget for 66 sworn police officers and eight non-sworn employees. At the time of this report, the Department is operating with 66 sworn officers but until recently had been operating with 62 sworn officers.

## Finance

Typical of most municipal government operations, personnel and benefit costs are the largest budgeted category making it difficult to adjust operations to meet available income.

Wages for represented employees are established through a Collective Bargaining Agreement and have been frozen for the last three years. The major expenditures in the police department are for salaries, wages, and benefits including healthcare, worker's compensation, unemployment compensation, and pensions. Other noteworthy expenditures in the Department budget include overtime, court time and school guards.

It is important to note, in most municipalities throughout Pennsylvania, the school district reimburses 50% of the Crossing Guards' salary. Verification of this reimbursement has been made.

The following table presents the projected expenditures for the Police Department:

### Altoona Police Department – Projected Baseline Expenditures

Expenditures	2016 Est	2017 P	2018 P	2019 P	2020 P	2021 P
Salary	\$ 4,515,589	\$ 5,164,623	\$ 5,256,702	\$ 5,341,913	\$ 5,434,295	\$ 5,516,444
Overtime	153,000	153,000	153,000	153,000	153,000	153,000
Employee Insurance & UC/WC	1,565,653	1,643,798	1,725,565	1,811,411	1,901,542	1,996,170
Pensions	2,175,571	2,245,429	2,313,007	2,373,750	2,430,173	2,475,866
FICA & Social Security	93,366	68,830	70,849	72,675	74,378	75,779
Other Employee Expenses	131,400	132,120	132,934	133,765	134,612	135,477
Maint., Materials, Supplies & Equipment	46,000	46,765	47,630	48,513	49,413	50,331
Vehicle Expenses	57,300	58,020	58,834	59,665	60,512	61,377
Utilities	38,000	38,684	39,458	40,247	41,052	41,873
Professional & Contractual Services	500	500	500	500	500	500
Commission & Organization Grants	1,500	1,500	1,500	1,500	1,500	1,500
Miscellaneous Expenditures	40,250	40,250	40,250	40,250	40,250	40,250
<b>Total Expenditures</b>	<b>\$ 8,818,129</b>	<b>\$ 9,593,520</b>	<b>\$ 9,840,229</b>	<b>\$ 10,077,189</b>	<b>\$ 10,321,228</b>	<b>\$ 10,548,567</b>

## Assessment

Many measurement standards are utilized to evaluate the effectiveness of a police department. A city's crime rate is one of the most critical. Public safety is not only of importance in assessing a police department; it is a key factor in a city's success. Crime reduction or suppression is the goal of any police organization.

The most common and universal method to track effectiveness is participation in the FBI Uniform Crime Reporting (UCR) Program. This report is designed to provide law enforcement administrators with crime statistics for administrative and/or operational purposes. The UCR provides a metric and/or benchmarks for agency effectiveness. Although not designed to be used to compare one agency against another, many do just that. During tough economic times, police are challenged to accomplish more with fewer resources. The financial challenges have reduced police officer staffing from a historical high of 74 to the current level of 66.

The Administration believes the declining number of officers has a negative impact on their ability to provide public safety services and negatively impacts employee morale. They continue to lobby for additional staffing but understand the City's financial constraints.

## Initiatives

Recognizing the financial reality, the Administration must continue to seek effective, creative solutions that use existing resources in the most efficient way possible. With this in mind, the following recommendations are designed to continue the efficient allocation of available resources in order to target/direct resources where they are most needed.

Until financial recovery is completed, the City must continue using its limited policing resources to efficiently focus on policing strategies designed to reduce crime and improve quality of life while containing costs. Many of the initiatives are opportunities for the Police Department to improve operations through better technology, aggressive strategies, efficient staffing, and collaboration.

### **PD01. Continue to Use Data to Determine Busiest Shifts and Schedule Accordingly**

**Target outcome:** Efficiency

**Responsible party:** Chief of Police, Labor Counsel

To determine optimum police staffing, a number of factors should be considered. The workload will vary substantially during specific hours of the day and even days of the week. Accordingly, the Department uses Informant (records and management system) to determine staffing levels. The Administration has indicated that 2000 to 0400 is the busiest time for complaints and incidents. In response, when the Department is at full complement, it activates the Fourth Platoon/Direct Patrol to saturate problem areas from 2000 to 0400. At full complement, the Fourth Platoon/Direct Patrol consists of four (4) officers and a Supervisor.

### **PD02. Restore the Organizational Structure and Shift Responsibilities Accordingly**

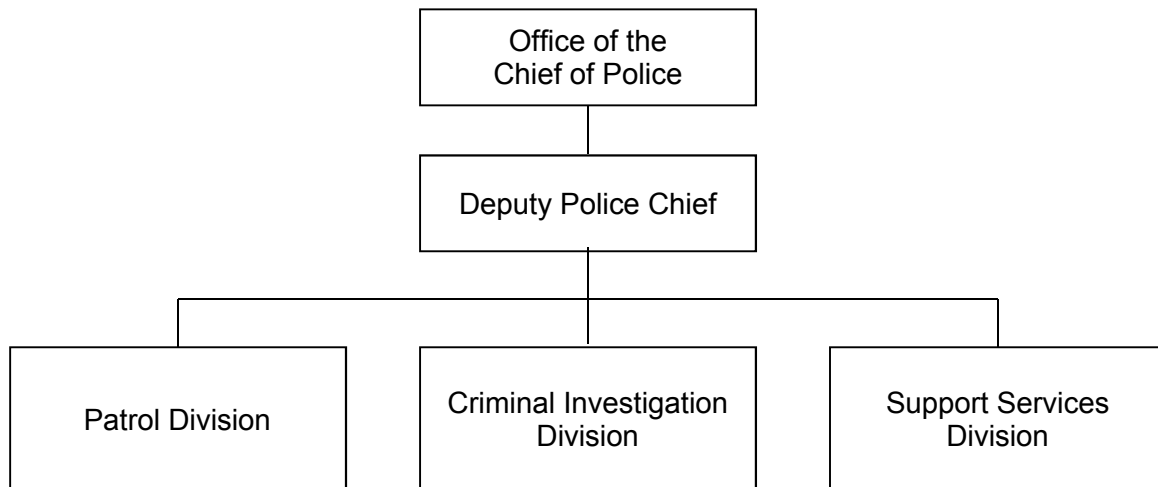
**Target outcome:** Management Improvements and Succession Planning

**Responsible party:** Chief of Police

All employees working in the police department, with the exception of the Chief, are represented by the FOP and covered by the Collective Bargaining Agreement. The current Collective Bargaining Agreement for police officers establishes wages, hours, and terms and conditions of employment. The Agreement expires on December 31, 2016.

As officers retire or leave the Department the City will need to fill the vacated positions. There are costs associated with hiring and training new officers, although they are partially offset by the lower starting salaries for new officers than those retiring. It is important to note, sudden unexpected retirements in the short term may result in increased overtime costs to fill gaps in service.

In terms of management/supervision, the Chief of Police is the only officer not covered by the Collective Bargaining Agreement. Now that the City's financial condition has stabilized the City should reinstate the position of Deputy Chief. The reinstatement of the Deputy Chief position will provide needed administrative support to the Department and leadership continuity in the Chief's absence. The suggested organizational structure depicted below would return the Department to its original organizational structure prior to adoption of the Act 47 Recovery Plan.



**PD03. Continue the process to Achieve Accreditation**

<b>Target outcome:</b>	Cost Reduction
<b>Responsible party:</b>	City Manager, Chief of Police

Accreditation is a concept or a process emphasizing a voluntary, self-activated approach by which organizations seek to achieve, verify, and maintain “high quality” in their operations through periodic evaluations conducted by an independent body that has established standards considered “state of the art” in policing.

The current best practices in policing provide for the safety and training of officers with the overall goal of improving the delivery of police services. The standards are represented in model policies and procedures to be implemented by the Department.

The standards help law enforcement agencies achieve the following:

- Increase agency capabilities to prevent and control crime
- Improve efficiency and effectiveness in delivery of law enforcement services
- Improve cooperation with other agencies
- Increase citizen confidence in the agency

Finally, Accreditation standards provide guidelines for developing a strong budget justification, especially for personnel and their allocations.

The Department has been working on the process of Accreditation through the Pennsylvania Law Enforcement Accreditation Commission over the last number of years. Policies for all Accreditation Standards have been completed. In order to meet Pennsylvania Law Enforcement Accreditation Commission (PLEAC) standards, the City will need to make several additions and changes to its facility. The City must cost out these changes so that City officials are aware of their budget impact.

**PD04. Evaluate the impact of funding Police Academy Training for new hires**

**Target outcome:** Improved Applicant Pool

**Responsible party:** City Manager, Chief of Police

To be employed as a police officer in the Commonwealth of Pennsylvania an individual must graduate from a Certified Act 120 Program. The City currently requires applicants to the Police Department to have successfully completed Act 120 training prior to being hired. In the past the City had allowed applicants to apply prior to successfully completing Act 120 training and would pay the cost of Act 120 training. When the City switched from funding Act 120 training for new hires to requiring applicants to have completed Act 120 training, applications for open positions dropped drastically. The reduction in applicants has impacted the number and quality of potential officers and the City's ability to recruit the best candidates available.

As the City's financial condition improves it should evaluate the costs of paying for Act 120 training for potential new hires.

**PD05. Change Weighting of Promotion Process to Ensure Most Qualified Applicant is Selected**

**Target outcome:** Management Improvement

**Responsible party:** City Manager, Chief of Police

The City's promotion process consists of three factors when selecting an employee for promotion. The factors are:

1. Written test (50%)
2. Personnel file (20%)
3. Interview (30%)

A number of factors should be considered when making any personnel decision including promotion. The current weighing of factors does not allow management the flexibility necessary to fill open positions with the best candidates available. The City must create a new evaluation process to ensure that the most qualified candidates are promoted throughout the Police Department. Promotions are a management right any provisions in the collective bargaining agreement limiting or restricting management in the selection of those to be promoted should be removed.

# Fire Department

## Overview

The City of Altoona Fire Department (FD) provides emergency response to fires and other hazardous conditions within the City of Altoona, and also provides emergency medical services (EMS) at the first responder-level to calls involving life-threatening conditions. EMS services for the City Of Altoona are provided by the AMED (Altoona Mobile Emergency Department) Authority. The Fire Department is the designated Emergency Management Agency for the City of Altoona and also serves as the designated Hazardous Materials (HazMat) Response Team for all of Blair County. The Fire Department's Mission Statement is as follows:

*Our main function is to protect our community by being prepared to respond to the traditional fire and rescue hazard while assuring our ability to mitigate a variety of a growing number of hazards. The mission of our department is to put highly qualified firefighters with reliable, equipment into an ever-broadening variety of roles for the protection of our citizens from fire and other hazardous situations. Today's citizens have come to expect fire departments to be prepared and equipped to mitigate any problem encountered. Citizens will receive prompt, specially designed service to meet their needs whether fire, rescues, chemical, environmental, or medical emergencies. With equipment designed for specific and multiple hazards, firefighters can routinely provide the services the citizens deserve.*

From four City fire stations, the Department operates four engine companies, one rescue company, two ladder/tower companies, and one HazMat Response Team. (There is a fifth station which is not staffed but houses equipment which is deployed as needed.) The Department is staffed by career firefighters who are members of the International Association of Fire Fighters, Local Number 299 (IAFF).

## Administration

- Includes the Fire Chief, one Deputy Chief, One Executive Secretary, and one Fire Inspector. Administration oversees operations, provides financial and personnel management, and represents the Department within the City and throughout the region.

## Fire Suppression

- Pertains to the Department's response to all emergency and non-emergency fire calls for service.

## Fire Inspection and Investigation

- Enforces the City's Fire Prevention Code, including the review and approval of plans for all new construction as well as major renovations to existing structures and the investigation of all fires. Additionally, inspects existing properties to ensure compliance with applicable codes and standards.

## ***Rescue***

- Delivers emergency and non-emergency response to calls for service including vehicle accidents, tactical rescue, urban search and rescue.

## ***QRS / EMS (Quick Response Service / Emergency Medical Service)***

- Delivers First Responder medical care and EMS assistance.

## ***HazMat***

- Delivers emergency and non-emergency response to calls for all HazMat related events throughout the entire Blair County region for which the City receives a flat fee from the County. This is discussed below under Initiatives.

## ***Emergency Management***

- Is responsible for the creation and ongoing review of the City's Emergency Operations Plan (EOP) utilized to coordinate and manage the City's response during large-scale disasters. The Chief serves as the City's Emergency Management Coordinator.

## ***Training***

- Pertains to the planning and execution of the Department's annual training program.

## ***Staffing***

According to the City's Current Department Staff List, the Department has 63 personnel.

<b>Position</b>	<b># Employees</b>	<b>Union</b>
Chief	1	None
Deputy Chief	1	None
Executive Secretary	1	None
Fire Inspector	1	IAFF
Assistant Chiefs	4	IAFF
Company Captains	20	IAFF
Engineer	20	IAFF
Firefighters	15	IAFF

As indicated above, 60 employees of the Department are represented by the International Association of Fire Fighters, Local Number 299. The City contract with the IAFF expires on December 31, 2016.

## Shift Schedule and Assignment of Personnel

The administrative office, which includes the Fire Chief, Deputy Chief, and Administrative Secretary, is open for business Monday-Friday 7:00 AM-4:30 PM. The Fire Inspector works out of City Hall which is open for business Monday-Friday 8:30 AM-4:30 PM.

The Department operates 4 shifts / platoons. Each platoon works four (4) consecutive days consisting of two (2) ten (10) hour days and two (2) fourteen (14) hour nights, or what is more commonly referred to in the fire service as “the 10/14 shift schedule.” Daylight hours are 0700-1700 and night hours are 1700-0700.

Personnel assigned to each shift are as follows:

Station	Personnel
Station One	(1) Assistant Chief (2) Captains (2) Engineers (1) Firefighter
Station Two	(1) Captain (1) Engineer (1) Firefighter
Station Three	(1) Captain (1) Engineer (1) Firefighter
Station Four	(1) Captain (1) Engineer (1) Firefighter

## Other Resources

Under an executed Mutual Aid Agreement, the City of Altoona and Logan Township provide assistance to each other in the event either jurisdiction requires additional resources for apparatus and/or manpower.

## Department Stations and Apparatus

The Department operates from four (4) strategically located stations within the city.

- **Station One** (Station 310/Headquarters) – 1319 Washington Avenue – Built 1927 – 7,460 sq. ft.
  - Apparatus assigned:
    - 2009 Rosenbauer/Spartan (Engine 311)



- 2008 Crimson Spartan (Truck 351)
- 2016 Ford Expedition (Staff Vehicle 301)
- 2004 Ford Expedition (Staff Vehicle 341)
- 2004 Ford F250 Supercab (Staff Vehicle 342)
- **Station Two** (Station 320) – 515 North Second Street – Built in 1979 – 4,238 sq. ft.
  - Apparatus assigned:
    - 2004 Crimson/Spartan (Engine 312)
    - 2001 Freightliner/Hackney (Hazmat 362)
    - 1992 Wells Cargo Trailer (Hazmat 363)
- **Station Three** (Station 330) – 530 Crawford Avenue – Built in 1978 – 4,238 sq. ft.
  - Apparatus assigned:
    - 2000 Firecab (Engine 313)
    - 1996 Simon/Duplex/Quality (Reserve Engine 315)
    - 2005 Crimson/Spartan (Rescue 332)
    - 2008 Stahl Trailer (Rescue 333)
- **Station Four** (Station 340) – 3960 Sixth Avenue – Built in 1951 – 3,679 sq. ft.
  - Apparatus assigned:
    - 2007 Crimson/Spartan ( Engine 314)
    - 1990 HMW/Grumman (Reserve Engine 316)
    - 941 Mack (Parade Piece Engine 317)
- **Station Five** (Station 350) – 1320 Washington Ave
  - Apparatus Assigned:
    - 1996 Simon/Duplex (Truck 352)
    - 2015 Model Trailer (Hazmat 361/Communications)

Note: In addition to the above, the following vehicles are also within the FD fleet.

- 2017 Ford Explorer – Chief’s Vehicle (Chief 300)(on order)
- 2016 Ford Explorer – Deputy Chief’s Vehicle (Chief 305)
- 2009 Ford F150 – Fire Investigator (391)

## Finances

### Altoona Fire Department – Projected Baseline Expenditures

Expenditures	2016 Est	2017 P	2018 P	2019 P	2020 P	2021 P
Salary	\$ 3,631,215	\$ 3,981,911	\$ 4,050,764	\$ 4,118,127	\$ 4,197,418	\$ 4,275,474
Overtime	240,000	240,000	240,000	240,000	240,000	240,000
Employee Insurance & UC/WC	1,472,045	1,550,692	1,633,146	1,720,044	1,811,629	1,908,154
Pensions	3,084,533	3,146,224	3,209,148	3,273,331	3,338,798	3,405,574
FICA & Social Security	58,400	58,824	59,779	60,713	61,818	62,904
Other Employee Expenses	64,875	65,269	65,714	66,168	66,632	67,104
Maint., Materials, Supplies & Equipment	46,000	46,774	47,649	48,542	49,453	50,382
Vehicle Expenses	63,000	64,134	65,417	66,725	68,060	69,421
Utilities	29,500	29,977	30,517	31,067	31,628	32,201
<b>Total Expenditures</b>	<b>\$ 8,689,568</b>	<b>\$ 9,183,803</b>	<b>\$ 9,402,134</b>	<b>\$ 9,624,718</b>	<b>\$ 9,865,435</b>	<b>\$ 10,111,214</b>

Source: City of Altoona

## Assessment

### Work Environment

The work environment of Altoona firefighters is all-encompassing. The City's neighborhoods are comprised of single-family dwellings, high-density structures such as row homes, large industrial complexes, and a sprawling college campus (Penn State Altoona). Navigation of the area varies from very narrow and steep streets to newer, more modern streets and highways. There is a significant number of abandoned and condemned structures within the Department's jurisdiction. There is an adequate number of fire hydrants providing good to excellent water supply in terms of flow and pressure.

### Mutual Aid and Regional Service

The City of Altoona and Logan Township request mutual aid from each other during major events by initially placing those departments on stand-by, either in their own stations or in one of the Department's stations.

### QRS / EMS (Emergency Medical Services)

EMS services for the City of Altoona are provided by the AMED Authority (Altoona Mobile Emergency Department). The Altoona Fire Department's Quick Response Service (QRS) provides the City patient access and enhanced medical triage and treatment. This is accomplished by staffing certified First Responders at all of the City Fire Stations with the proper equipment to be the first line of defense against morbidity and mortality. This service is

provided to the citizens of Altoona to enhance the service already provided by AMED by responding to emergencies and providing EMS to patients pending the arrival of pre-hospital personnel of an ambulance service. The Department offers their assistance to AMED and the patient at no cost.

## **Fire Inspection and Investigation**

The City has a Fire Inspector who serves in a dual role capacity as both the Fire Investigator and the Fire Inspector. The Fire Inspector serves as the City's fire code official. The Fire Investigator is trained in fire investigations and is responsible for determining cause and origin of fires. State Police services are utilized when warranted.

## **Initiatives**

### **FD01. Add Provision for the Acceptance of Promotion by the Chief of the Department**

**Target outcome:** Operational Efficiency

**Responsible party:** Fire Chief, City Manager, Director of Human Resources

Article XXVII Assistant Chief Promotional Guidelines. There is no provision for the approval of a promotion by the Chief of the Department. All promotions should be approved by the Chief of the Department. All promotions should be subject to review by the Chief, especially quasi-managerial positions like Assistant Chief. Promotions are a management right and any provisions in the collective bargaining agreement limiting or restricting management in the selection of those to be promoted should be removed.

### **FD02. Reduce Union Business Days**

**Target outcome:** Expense Reduction

**Responsible party:** Fire Chief, City Manager, Director of Human Resources

Prior to adoption of the City's original Act 47 Recovery Plan, the City's contract with the IAFF allowed for 30 days per year for union business. Subsequent to adoption of the Plan the number of days per year allowed for union business was reduced to 20 days. According to Department officials, no more than several days per year are required for union business, conventions or negotiations and can be further reduced.

### **FD03. Utilize improved technology to increase the number of commercial occupancy inspections performed**

**Target outcome:** Efficiency Improvements

**Responsible party:** Fire Chief, City Manager, City Council

In cooperation with the IAFF, develop a new fire inspection program that leverages the City's new software system and existing personnel to inspect the City's commercial properties in a

timely manner. Implementation cost must be offset through increases in inspection fees as appropriate.

**FD04. In conjunction with AMED, review delivery of Emergency Medical Services for possible improvements**

**Target outcome:** Service Improvements

**Responsible party:** Fire Chief, City Manager, Director of Human Resources, and City Council

EMS services for the City of Altoona are provided by the AMED Authority (Altoona Mobile Emergency Department). As a defense against morbidity and mortality, Certified First Responders are staffed by Altoona Fire Department's Quick Response Service (QRS) at all of the City Fire Stations, which provides patient access to enhanced medical triage and treatment.

In cooperation with AMED, the City should review performance of EMS services provided to City residents and evaluate if improvements to the model can be made. At no time should any change be made to the delivery of EMS without a professional consultant providing a detailed report of the associated costs and benefits of changing the service delivery of EMS to City Council for review.

**FD05. Cross-Train Fire Personnel on Code Violations**

**Target outcome:** Operational Efficiencies

**Responsible party:** City Manager, Director of Codes and Inspection, Fire Chief, and City Solicitor

Fire personnel should complete a course of training (designed and administered by City staff) in property maintenance inspections and, upon completion of this training, be able to identify significant health and safety code violations to code enforcement to take appropriate action as needed.

This action is not designed to replace existing code enforcement staff but to broaden the capability and authority of other staff with real estate-related responsibilities, so that property maintenance issues that they encounter during the course of their daily activities can be addressed immediately, rather than referred to other staff.

# **Public Works Department**

## **Overview**

The City of Altoona Public Works Department (PWD) performs the following functions:

### **Streets and Bridges**

The PWD maintains, repairs and rehabilitates all streets and bridges in the City other than those owned by the Pennsylvania Department of Transportation, which has approximately 40 miles of streets and highways. PWD currently is responsible for 183 miles of streets and 39 bridges. In connection with streets, PWD maintains all traffic signals and street signage, performs winter maintenance, sweeps streets, and repairs all utility cuts in the City streets.

### **Street Lighting**

The PWD maintains 3,000 streetlights and performs lighting upgrades, as funds are available. A small amount of traffic signal maintenance and other work is performed for Logan Township on a time and material basis.

### **Fleet Maintenance**

The PWD maintains and repairs vehicles on behalf of the City, including managing fleet procurement. PWD also performs maintenance for the Central Blair Recreation Commission on a time and material basis.

### **Storm Sewers**

The PWD maintains and repairs all storm sewers in the City.

### **Building Maintenance**

The PWD maintains, repairs, and performs minor improvements to City buildings and structures.

### **Parks**

The PWD currently mows and maintains City-owned parks, some of which include structures.

### **Engineering**

The PWD also has an engineering staff to manage property, issue permits, inspect work, and support other PWD functions.

### **Finances**

The PWD is primarily funded from City General Fund revenues. The two most significant other sources are the PA Liquid Fuels Program and Street Cut fees.

PWD has rudimentary Information Technology capabilities. PWD relies on other City departments for this function; however, that is limited, to a very basic GIS system. To date, only a portion of the PWD facilities have been digitized. There are no work management capabilities, automated record keeping, or asset management applications currently in place.

The following table presents projected expenditures for the PWD which also includes the Engineering Department.

### **Public Works Department – Projected Baseline Expenditures**

<b>Expenditures</b>	<b>2016 Est</b>	<b>2017 P</b>	<b>2018 P</b>	<b>2019 P</b>	<b>2020 P</b>	<b>2021 P</b>
Salary	\$ 2,162,084	\$ 2,271,192	\$ 2,316,616	\$ 2,362,949	\$ 2,410,208	\$ 2,458,412
Overtime	75,000	75,000	75,000	75,000	75,000	75,000
Employee Insurance & UC/WC	474,699	498,017	522,501	548,209	575,203	603,546
FICA & Social Security	171,204	178,052	181,613	185,245	188,950	192,729
Other Employee Expenses	5,700	5,700	5,700	5,700	5,700	5,700
Maint., Materials, Supplies & Equipment	234,000	237,764	242,021	246,363	250,793	255,311
Vehicle Expenses	450,500	458,456	467,455	476,634	485,997	495,547
Utilities	181,000	184,258	187,943	191,702	195,536	199,447
Professional & Contractual Services	3,000	3,000	3,000	3,000	3,000	3,000
Miscellaneous Expenditures	14,520	14,520	14,520	14,520	14,520	14,520
<b>Total Expenditures</b>	<b>\$ 3,771,707</b>	<b>\$ 3,925,960</b>	<b>\$ 4,016,370</b>	<b>\$ 4,109,323</b>	<b>\$ 4,204,907</b>	<b>\$ 4,303,212</b>

## **Assessment**

As a result of the City's financial distress, the PWD has not had sufficient resources to maintain its assets at a "best practices" level as defined by American Public Works Association or similar association. For example, the customary vehicle replacement cycle for vehicles is six years. The current practice in Altoona, however, is a ten-year cycle except for police vehicles where a three-year cycle is followed. In that case, police vehicles are subsequently repurposed within other departments.

As a normal practice, streets should be resurfaced on a fifteen-year cycle to avoid accelerated deterioration, which occurs at an increasing pace after the fifteen years. Based on this criterion, the City should resurface approximately twelve miles of streets annually. Currently, PWD is resurfacing about five miles per year, which is below the current PWD goal of seven miles per year. If this procedure continues, streets will deteriorate to the point where major maintenance or even complete rehabilitation will be occurring at a much greater rate than routine maintenance.

The typical lifespan of a bridge is 100 years with regular maintenance. Altoona has no bridges of that age, but has three bridges that are 70 years or older. There does not appear to be any immediate bridge replacement needs.

# Initiatives

## **PWD01. Upgrade Remaining Street Lights to LEDs**

<b>Target outcome:</b>	Reduced cost and energy efficiency
<b>Responsible party:</b>	Director of Public Works, Electrical Staff

Street lighting continues to represent a significant expenditure for Altoona. Since 2010, more than 440 street lights have been converted to high-quality LED outdoor lighting, which reduces electricity consumption as well as re-lamping costs over the common conventional high-pressure sodium or metal halide lights.

According to industry provided estimates, LED bulbs cost more than older style bulbs, however their lifespan is approximately five times longer than the current bulb (although some industry vendors offer a longer warranty life - 50,000 hour warranties on bulbs and ten year warranties on fixtures). In addition, there are also offsetting savings in reduced fixture replacement.

## **PWD02. Implement Guaranteed Energy Savings Program**

<b>Target outcome:</b>	Reduced cost and energy efficiency
<b>Responsible party:</b>	Director of Public Works, Electrical Staff

Another option for funding certain capital projects is to utilize the Guaranteed Energy Savings Program authorized by the Commonwealth of Pennsylvania. A number of business entities have been approved by the Commonwealth to prepare investment grade energy audits in which a series of improvements are recommended and a certain level of energy savings is forecast. The company preparing the energy audit guarantees a certain level of savings that will generate adequate revenue to pay debt service for the borrowing necessary to execute the projects.

## **PWD03. Upgrade GIS and Add Productivity Applications**

<b>Target outcome:</b>	Enhance utility of GIS and improve PWD productivity
<b>Responsible party:</b>	Director of Public Works, City IT Manager

While this would require an upfront investment to upgrade current GIS capabilities and allow distributed access to other departments, a City-wide approach should lead to a higher level of efficiency and a more robust database that can be shared more easily to facilitate more comprehensive planning and operations. In addition, having a strong GIS foundation would facilitate the acquisition and use of operational applications to keep an electronic records database and improve management analysis and decision-making.

#### **PWD04. Continue to Annually Increase PWD Service Fees**

<b>Target outcome:</b>	Setting and maintaining fees to recover full cost of service, including overhead and management costs
<b>Responsible party:</b>	Director of Public Works, City Council

PWD charges citizens and others for various services including repairing street cuts and other permits and reviews.

As an ongoing practice, Altoona should review all fees annually and as needed when cost increase unexpectedly. For example, when petroleum product prices increase, street cut fees should be reviewed to assure they cover the increased costs of paving materials.

#### **PWD05. Continue to Increase Street Repaving**

<b>Target outcome:</b>	Avoid future road rebuilding costs which becomes necessary when resurfacing extends beyond 15 year lifecycle
<b>Responsible party:</b>	Director of Public Works

In 2014 and 2015, the City allocated \$1,100,000 and \$1,200,000 for resurfacing projects respectively, however, a number of Altoona's streets require repaving and repairs to avoid advanced or full deterioration. Advanced deterioration will typically increase maintenance costs by 2 to 3 times and full deterioration will result in a tenfold increase for a complete street rebuild. Normal repaving and repairs are typically adequate if accomplished every 15 years; beyond that, deterioration accelerates with full deterioration occurring every 25 years. If Altoona does not continue to catch up on street repaving and repairs, its street deterioration will accelerate and lead to incurring increased costs as a result of having to rebuild streets. Considering this consequence, the City needs to continue to fund street repaving projects.

Savings from avoided road rebuilding costs (which are estimated to be 2 to 3 times the repaving expense) will more than offset increased repaving costs in the long term. Those savings would typically be realized in approximately 5 years after the repaving is done. Considering the outlays needed for street resurfacing as compared to street reconstruction the City should continue to allocate funding for street repaving as needed.

#### **PWD06. Cyclical Solutions for Pavement**

<b>Target outcome:</b>	Road Improvements
<b>Responsible party:</b>	Director of Public Works

As discussed in initiative PWD05, road maintenance is critical to extending the useful life of streets throughout the City. When appropriate, consideration should be given to alternative pavement applications, such as, but not limited to, slurry seal, micro surface and double seal coating.



**PWD07. Utilize GPS on all Public Works vehicles**

**Target outcome:** Resource Allocation Efficiencies and Monitoring  
**Responsible party:** Director of Public Works

Enabling GPS monitoring on all Public Works vehicles will allow the City to monitor usage, stop/go cycles and locate fleet vehicles. Using this data to analyze vehicle movement patterns will allow the City to make adjustments to the deployment of personnel. Management expects to realize an increase of 0.25 staff-hours per day for 38 employees by adjusting personnel deployment. While the City will not receive monetary relief from the increase in staff-hours it will achieve 2,375 additional man-hours per year (0.25hrs/per employee x 38 employees = 9.5 hrs/day; 9.5 hrs/day x 250 days = 2,375 additional staff-hours).

The initial purchase price is estimated to be \$500 per truck with an annual \$25 subscription fee for each of the 35 units.

**Financial Impact**

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Total</b>
(\$18,375)	(\$875)	(\$875)	(\$875)	(\$21,000)

**PWD08. Install Road Watch Temperature Gauges for Fleet Trucks**

**Target outcome:** Resource Allocation Efficiencies and Monitoring  
**Responsible party:** Director of Public Works

Road watch temperature gauges indicate to the driver when the road surface is at a temperature where material should be applied to the road surface. With treatment occurring at proper temperatures, the City estimates \$5,400 in annual cost savings.

The initial purchase price is estimated to be \$500 per truck for 17 trucks.

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Total</b>
(\$5,800)	\$5,400	\$5,400	\$5,400	\$22,000

**PWD09. Pretreatment System for Salt**

**Target outcome:** Efficient use of Resources  
**Responsible party:** Director of Public Works

Pretreatment with either brine or calcium chloride allows the salt to work faster and at lower temperatures. Pretreatment with calcium chloride prevents snow from sticking to roads and helps prevent frost or black ice. Additionally, calcium chloride is less harmful to the environment.

#### **PWD10. Evaluate the Feasibility of an Additional Stockpile Location**

<b>Target outcome:</b>	Operational Efficiency
<b>Responsible party:</b>	Director of Public Works

The City should evaluate the feasibility of establishing a secondary stockpile location at the northern end of the City, in order to eliminate the lane mile overlap wasted when vehicles have to return to the City's existing yard for material.

#### **PWD11. Continue to Evaluate Establishing a Street Cut/Special Project Work Crew**

<b>Target outcome:</b>	Increased Revenue and Customer Responsiveness
<b>Responsible party:</b>	Director of Public Works

In 2015, the City and Local 2188 (AFSCME) worked cooperatively to develop a plan which addressed a large backlog of street cuts requests that had accumulated over the past 3 years. The City and Local 2188 agreed to allow a Public Works crew to work overtime throughout the summer to perform the street cuts needed. In addition to the City being able to reduce the street cut backlog, the fees collected covered the overtime costs incurred.

The City shall evaluate the volume of street cut requests, determine the economic and operational benefit of establishing a street cut/special project crew which could complete street cuts, respond to special requests and be utilized during the winter for snow removal.

#### **PWD12. Implement MS4 Compliance Program**

<b>Target outcome:</b>	Increased Revenue and Customer Responsiveness
<b>Responsible party:</b>	Director of Public Works, Director of Finance and City Manager

Municipalities (cities, boroughs, and townships) that meet certain standards must obtain NPDES permit coverage for discharges of stormwater from their municipal separate storm sewer systems (MS4s).<sup>15</sup>

A municipal separate storm sewer system is any conveyance or system of conveyances (including, but not limited to, streets, ditches, and pipes) that is:

- owned by a municipality or other public body (created under state law) having jurisdiction over disposal of sewage, industrial wastes, stormwater or other wastes;
- designed or used for collecting or conveying stormwater;
- not a combined sewer (i.e., not intended for both sewage and stormwater); and
- not part of a publicly owned treatment works (POTW).

---

<sup>15</sup> <http://www.dep.pa.gov/Business/Water/PointNonPointMgmt/StormwaterMgmt/Stormwater/Pages/default.aspx#.Vz9HIJjD9dg>

MS4s are categorized as Large, Medium and Small based on criteria in the federal regulations at 40 CFR 122.26. Large and Medium MS4s must apply for NPDES permit coverage.<sup>16</sup>

Meeting the requirements of MS4 will require additional resource allocation from the City in manpower and capital. The City must develop a plan to address compliance requirements.

---

<sup>16</sup> <http://www.dep.pa.gov/Business/Water/PointNonPointMgmt/StormwaterMgmt/Stormwater/Pages/default.aspx#.Vz9HIJjD9dg>

# Department of Community Development

## Overview

### Organization and Operating Budget

The Department of Community Development is responsible for administering a range of planning, administrative, program management, and regulatory activities. The Department administers the City's federally-funded housing and community development programs, including the Community Development Block Grant (CDBG) and the HOME Investment Partnerships Program (HOME). In addition, the Department staffs several City-related entities, including the Altoona City Planning Commission, the City's Zoning Hearing Board, the Altoona Redevelopment Authority, the City's Plumbing Board, Electrical Board, Code Appeals Board, and the City's Shade Tree Commission.

In support of City government operations, the Department of Community Development also conducts plan reviews and inspections of construction work in progress and issues contractor licenses. The Department also manages the City's Geographic Information System (GIS) resources and handles related parcel-specific data management responsibilities. In addition, the Department manages the Altoona Transportation Center on behalf of the Redevelopment Authority.

### Funding Resources

Like other municipalities, the City of Altoona has experienced substantial reductions in federal funding available through CDBG, HOME, and ESG, as shown on the following table.

#### Funding Awards for CDBG, HOME, ESG Federal Fiscal Years 2011-2016

Federal Fiscal Year	CDBG	HOME	ESG	Total	% Change From Prior Year
2011	\$ 1,814,550	398,614	\$ 137,598	\$ 2,350,762	(13.35%)
2012	1,460,799	250,137	157,135	1,868,071	(20.53)
2013	1,489,572	217,406	-	1,706,978	(8.62)
2014	1,456,159	242,275	-	1,698,434	(0.50)
2015	1,418,161	194,238	-	1,612,399	(5.07)
2016	\$ 1,417,173	\$ 196,913	\$ -	\$ 1,614,086	0.10%

Source: U.S. Department of Housing and Urban Development, "Community Development Allocations and Appropriations" at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/about/budget/budget13](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/about/budget/budget13)

An additional resource for funding community development activities is program income, which, in Altoona, has been generated from two sources: loan repayments to an Economic Development Loan Fund and loan repayments to the revolving loan fund for the Single Family Homeowner Program. In recent years, the level of program income has declined, and this decline has been influenced by the growing availability of private debt at lower interest rates and

by funding reductions for other programs that previously provided leveraging opportunities for the City.

### City of Altoona Program Income, 2010-2016

2010	\$ 404,794
2011	418,433
2012	455,551
2013	296,065
2014	351,950
2015	392,803
2016 Budget	\$ 162,000

Source: U.S. Department of Housing and Urban Development, "CDBG Performance Profiles" at <https://www.hudexchange.info/manage-a-program/cdbg-performance-profiles/>

### Community Development – Projected Expenditures

Expenditures	2016 Est	2017 P	2018 P	2019 P	2020 P	2021 P
Salary	\$ 620,695	\$ 636,329	\$ 649,056	\$ 662,037	\$ 675,277	\$ 688,783
Employee Insurance & UC/WC	154,904	162,587	170,653	179,121	188,012	197,345
FICA & Social Security	47,539	49,441	50,429	51,438	52,467	53,516
Other Employee Expenses	2,000	2,000	2,000	2,000	2,000	2,000
Maint., Materials, Supplies & Equipment	7,000	7,110	7,234	7,361	7,490	7,622
Professional & Contractual Services	75,000	76,350	77,877	79,435	81,023	82,644
Capital Equipment	16,872	17,176	17,519	17,870	18,227	18,592
Miscellaneous Expenditures	500	500	500	500	500	500
<b>Total Expenditures</b>	<b>\$ 924,510</b>	<b>\$ 951,492</b>	<b>\$ 975,268</b>	<b>\$ 999,761</b>	<b>\$ 1,024,996</b>	<b>\$ 1,051,001</b>

## Assessment

The Department collaborates with other agencies, organizations, and development entities to implement the City's Comprehensive Plan and related specific development or redevelopment projects, as well as to prepare applications and contracts for public or private funding and financing of specific activities or projects, and to administer programs and projects. The Department prepares specific studies, specifications, plans, and programs to meet project requirements or City information needs, which includes providing staff and other professional and technical support to the Altoona Planning Commission and the Altoona Redevelopment Authority, in their respective functions. The Department of Community Development is headed by a director who is responsible to the City Manager for the performance and function of the Department. The director also has the duty to develop, prepare, and recommend land use ordinances and an official map and to administer and coordinate the review of all subdivisions, land development and planned residential development plans and projects.

## Initiatives

### **CD01. Create a Business Plan to Identify Illegal Construction Activities and Bring Violators into compliance**

**Target outcome:** Reliable, consistent enforcement of planning, building, and zoning standards

**Responsible party:** Director of Community Development

In order to regulate development and ensure that construction and reuse plans are of high quality, the Department needs to establish a business plan which limits and addresses activity being performed illegally.

### **CD02. Continue to Target Community Policing to Qualifying Downtown-Area Neighborhoods**

**Target outcome:** Improving public safety perceptions of downtown and adjacent neighborhoods

**Responsible party:** Director of Community Development, Police Chief

CDBG funding used to support community policing activities should continue to be targeted to neighborhoods adjacent to and near the downtown business district, including the Lower Fairview area, in order to reinforce planned downtown improvements and improve the marketability of real estate in neighborhoods surrounding downtown.

### **CD03. Continue to Fund Infrastructure Improvements in Areas Selected for Targeted Neighborhood Improvement Strategies**

**Target outcome:** Targeting the allocation of available resources in order to produce greater impact

**Responsible party:** Director of Community Development

Federally-funded infrastructure improvements for which funds are budgeted in the Annual Action Plan should be targeted to neighborhoods in which other targeted neighborhood improvement initiatives are being undertaken. Infrastructure repair and replacement in these neighborhoods will reinforce blighted property improvement/removal activities and increase the prospects for attracting additional investment to these neighborhoods.

**CD04. Promote Neighborhood Planning in Areas Targeted for Comprehensive Property Maintenance Inspections and Code Enforcement**

**Target outcome:** Creating and strengthening government/ neighborhood collaboration in removing and preventing blight and advancing improvement initiatives

**Responsible party:** Director of Community Development

Although the City no longer has a full-time planner on staff, opportunities to undertake basic neighborhood planning and establish strong, ongoing working relationships with community constituencies in support of mutual interests should be pursued. The focus of initial neighborhood planning activities should be undertaken in coordination with The Nehemiah Project and UPMC Altoona.

Neighborhood planning in this area, and in others where this approach is subsequently pursued, should be 1) targeted to a relatively compact area consisting of a few square blocks, in order to ensure that proposed activities are feasible and achieve desired impacts, and 2) made part of the overall business plan recommended in CD01.

**CD05. Remove Management Responsibilities of Department of Codes and Inspections from Community Development Director and Hire a Codes and Inspections Director**

**Target outcome:** Improved Management

**Responsible party:** City Manager, Human Resources Director and City Council

Currently, the Director of Community Development is responsible for the oversight and management of the Department of Codes and Inspections. Proper management of both Community Development and Codes and Inspection requires dedicated personnel to each function. In addition to the workload of managing two departments being difficult for one individual to effectively manage, the requisite skill set and background of a qualified Codes and Inspections, professional and Community Development professional are significantly different.

In order to assure that both departments are effectively managed, the Departments of Community Development and Codes and Inspections should have individual Department Directors.

# Housing

## Overview

Because of the importance of stabilizing and strengthening downtown and neighborhood real estate markets, housing should continue to be considered a critically important element of the City's overall economic development strategy. Altoona's housing strategy should not focus exclusively on the City's downtown and immediate surroundings. The city should continue to find the most effective, most economical ways to upgrade the aging, deteriorating housing stock that can be found in Altoona's older neighborhoods through a combination of code enforcement and incentives for property improvement. Related initiatives are described in the Community Development and Property Maintenance Inspection chapters.

## Assessment

Although the City is not positioned to be a developer or owner of housing, municipal agencies can help influence investment decisions associated with the market opportunities described in this chapter. Developers seeking to pursue these opportunities will be better served if the City:

- Establishes the capability to play a greater role in inspecting construction work in progress, as opposed to post-project completion inspections, and in related "customer service";
- Creates a fast-track process for resolving minor code violations in order to deal with "quality of life" nuisances quickly and efficiently;
- Complements its code enforcement approach with low-cost streetscape and public space improvements on targeted blocks; and,
- Provides incentives for responsible developers and rental property owners, such as inspection fee discounts as a reward for remaining in compliance with codes or for achieving compliance quickly, thereby enabling the City to avoid the cost associated with multiple re-inspections.

Specific initiatives that the City Manager and the Department of Community Development can undertake to stimulate housing and investment and development in a manner consistent with this approach are included in the Community Development and Codes and Inspections chapters.



**H01. Develop a Strategic Approach to Land Banking**

**Target outcome:** Using powers authorized to improve the climate for investment by facilitating blighted property acquisition and disposition

**Responsible party:** Altoona Redevelopment Authority

The Department should explore the prospects for creating a land bank authority as an affiliate to the Altoona Redevelopment Authority, using land bank powers to: 1) convey existing Redevelopment Authority surplus properties to qualified developers without a redevelopment agreement; and, 2) take advantage of opportunities to acquire properties eligible for tax sale without participating in the public auction.

Development of a land banking program should consist of strategic target areas of the City for collection of property for residential, commercial and industrial uses. Only projects that will be taxable at a reasonable time in the future should be eligible. A targeted program of clearance, environmental remediation and acquisition of tax delinquent property are integral parts of such a rational land banking program.

# Economic Development

## Overview

Altoona's competitive advantages are already widely-recognized: a central location in the region and State; excellent access to rail and highway transportation systems; several key locally-owned companies that have sustained a substantial portion of the City's employment base over the years; a close-knit business leadership; a City-based regional health care system and a City-based State university campus with an ambitious expansion plan; a stable public education system; and a strong work ethic.

Taxes in Altoona are not substantially higher than in nearby suburban areas; residents in some suburban communities pay higher taxes than Altoona residents, while others pay lower taxes than their counterparts in the City.

These characteristics, in the aggregate, make Altoona more marketable for investment and development than other small cities in Pennsylvania or neighboring states. Like some of these other cities, Altoona is surrounded by attractive natural resources, has a compact, walkable downtown area, and can offer a variety of housing options in attractive neighborhoods.

## Initiatives

### **ED01. Continue the Implementation of "Ahead of the Curve" Altoona's Downtown Growth Strategy**

**Target outcome:** Creating an environment attractive to investors and developers

**Responsible party:** City Manager, Director of Community Development

In February of 2013, and as required by the City's original Act 47 Recovery Plan, the City prepared and issued an RFP for the City of Altoona "Housing Strategy and Downtown Investment Study." The RFP was prepared with the help of the Greater Altoona Economic Development Corporation (the "GAEDC"), DCED and the Act 47 Coordinator. In July of 2013, a consultant was selected and after numerous focus groups, public meetings, site inspections, market analysis, *pro forma* testing and drafting, the consultant delivered a Downtown Growth Strategy now referred to as "Ahead of the Curve."

The City and GAEDC are in the process of implementing "Ahead of the Curve." GAEDC has incorporated the implementation of "Ahead of the Curve" into its operational plans on an objective-by-objective basis.

The City shall remain actively engaged with GAEDC to ensure implementation of "Ahead of the Curve" continues.

**ED02. Promote Development on Surface Parking Lots**

**Target outcome:** Making land available for new development, creating a more attractive downtown

**Responsible party:** Parking Authority, City Manager

A number of medium-sized and large, surface parking lots can be found in and near the downtown area. The pursuit of parking garage development plans should be accompanied by planning for the acquisition and development of rental housing and mixed use on some existing surface parking lots.

**ED03. Make Use of New Tools for Blight Prevention and Elimination**

**Target outcome:** Preventing and eliminating property blight through timely interventions

**Responsible party:** City Manager, Director of Community Development

Using legislated authority, organize a conservatorship petition involving a neglected existing building and/or a group of vacant lots for which adjacent owners/developers have been pre-qualified.

If applicable, seek court remedies available through the Neighborhood Blight Reclamation and Revitalization Act to take action against negligent, absentee owners.

**ED04. Develop Improvement Strategies for Downtown-Area Neighborhoods**

**Target outcome:** Improving the appearance of residential blocks in the vicinity of downtown

**Responsible party:** City Manager, Director of Community Development

Work with The Nehemiah Project, UPMC Altoona and Operation Our Town to conduct a program of code enforcement and streetscape improvements (funded in part through revenues generated through the quality of life code enforcement program) in coordination with neighborhood residents, as an initial neighborhood strategic planning initiative. This initiative would be less wide-ranging than the broader area “sweep” undertaken in the past and would be designed to complement code enforcement actions with improvement activities.

**ED05. Establish a “One Stop Shop” to facilitate development review and construction process for citizens, builders, developers and contractors**

**Target outcome:** Facilitate development

**Responsible party:** City Manager, Fire Chief, Director of Community Development and Director of Codes and Inspection

**Impacted employee group:** All employee groups

Municipalities throughout the nation have begun to establish regularly scheduled pre-construction and design review meetings which are held for the benefit of stakeholders prior

to building and trade application processes in an effort to facilitate potential projects before they begin.

The purpose of a “One-Stop Shop” is to allow stakeholders, such as developers, construction professionals, and citizens, an opportunity to meet with various City departments involved in the development process before a project starts to help mitigate issues that may arise during construction.

# Codes and Inspections Department

## Overview

The Amended Recovery Plan provides for a Director of Codes and Inspections position. Inspectors are currently supervised by the Director of Community Development. They enforce Altoona's property maintenance codes (the primary responsibility of this staff), conduct rental property inspections and related licensing, and handle vacant property registrations.

### 1. Property Maintenance Inspections

A majority of code enforcement inspections are conducted in response to complaints received at City Hall; the majority of inspections are based on an inspector's observations in the field. Code Enforcement Officers identify issues relating to property maintenance violations. The goal is to not only assist residents in identifying property maintenance issues, but to emphasize the importance of improving the quality of life by preventing such conditions through community efforts.<sup>17</sup>

### 2. Rental Property Inspections

The City of Altoona has a licensing and inspection program of residential rental properties. This program is designed to give property owners the benefit of knowing their rental units meet the minimal habitability standards as set forth in the City's Property Maintenance Code. Prospective and current tenants will benefit by knowing that their unit has been checked for health and safety violations. Additionally, ongoing inspections will provide for continued maintenance and preservation of the City's housing stock.<sup>18</sup>

To register a rental property, the owner must apply for a Conditional Housing Permit and pay a licensing fee. Inspections identify basic life-safety and routine maintenance issues. Potentially dangerous conditions must be corrected immediately. Other violations are to be corrected within 45 days. After passing inspection, the Conditional Housing Permit becomes a Residential Rental Unit License, which remains valid until the next inspection. Licenses must be renewed on or before July 31 of each year.

### 3. Residential Plan Review and Construction Inspection

The City's Building Code Official reviews and approves all commercial and residential plans for building and accessibility and inspects all commercial and residential building projects. The City's third-party inspection agency reviews and approves all commercial and residential plans for mechanical, electrical, and plumbing permits and inspects all commercial and residential mechanical, electrical, and plumbing projects.

---

<sup>17</sup> <http://www.altoonapa.gov/Planning/Code/Pages/default.aspx>

<sup>18</sup> <http://www.altoonapa.gov/Planning/Pages/Residential-Rental-Inspection-Program.aspx>

## Finances

Projected expenditures for codes and inspection staff are shown in the following table:

### Codes and Maintenance – Projected Baseline Expenditures

Expenditures	2016 Est	2017 P	2018 P	2019 P	2020 P	2021 P
Salary	\$ 264,942	\$ 271,962	\$ 277,401	\$ 282,949	\$ 288,608	\$ 294,380
Overtime	500	500	500	500	500	500
Employee Insurance & UC/WC	60,092	63,087	66,206	69,480	72,917	76,526
FICA & Social Security	20,660	21,486	21,916	22,354	22,802	23,258
Other Employee Expenses	2,400	2,400	2,400	2,400	2,400	2,400
Maint., Materials, Supplies & Equipment	8,900	8,900	8,900	8,900	8,900	8,900
Professional & Contractual Services	0	0	0	0	0	0
Capital Equipment	0	0	0	0	0	0
Miscellaneous Expenditures	4,000	4,000	4,000	4,000	4,000	4,000
<b>Total Expenditures</b>	<b>\$ 361,494</b>	<b>\$ 372,335</b>	<b>\$ 381,323</b>	<b>\$ 390,584</b>	<b>\$ 400,127</b>	<b>\$ 409,964</b>

## Assessment

The Code Enforcement Officers manage a significant caseload. Due to the size of the current caseload, improvement to the inspection process is needed in order to: 1) become more efficient and cost-effective; and, 2) become an integral part of a City neighborhood reinvestment strategy that produces long-term benefits for community members and the City as a whole.

## Initiatives

### PMI01. Digitize Inspection Process

**Target outcome:** Reducing paperwork, staff time and inspection costs devoted to inspection and clerical tasks

**Responsible party:** Director of Information Technology, City Manager

Inspectors should be equipped with tablet computers such as iPads, in which a template inspection form has been loaded. Through the use of this relatively inexpensive equipment, the current paperwork associated with the inspection process can be reduced substantially, with a corresponding reduction in associated inspection and clerical tasks.

The City's current software system does not support the use of tablets. However, the City is currently in the process of acquiring a new Management Information System ("MIS") which it plans to have installed in 2017. The new MIS system must include mobile technology.

**PMI02. Continue to Establish Performance Metrics and Conduct Monthly Performance Reporting**

<b>Target outcome:</b>	Improving City capacity to assess current staff performance time/cost factors and proposed systemic improvements and to make adjustments in staff assignments as needed to ensure maximum productivity
<b>Responsible party:</b>	City Manager, Director of Codes and Inspection

A fully digitized system will facilitate monthly performance reporting and an analysis of the benefits associated with systemic improvements described below.

Weekly performance metrics have been established since adoption of the City's original Act 47 Recovery Plan. The current metrics include number of notices and citations written in each category and the backlog of re-inspections and rental inspections. Metrics are reviewed by the Director of Community Development, City Manager and City Council.

In addition to the metrics currently tracked, the City should include number of code violations by type and location, amount of fees charged and fees collected, by violation, and City code enforcement expense, by violation.

**PMI03. Reconsider Adopting a Quality of Life Ticketing Program**

<b>Target outcome:</b>	Reducing inspector time devoted to minor code violations; expediting violation notice and fine collection process for minor code violations
<b>Responsible party:</b>	City Manager, Director of Codes and Inspection and City Solicitor

The processing of "quality of life" violations (e.g., accumulation of trash or garbage; high weeds, grass, or plants; poorly-maintained swimming pools; improper storage of vehicles) can be simplified and made more cost-effective by adopting a program in which these violations are documented by the issuance of a ticket to the owner. Like a ticket issued by a parking authority for a parking violation, the ticket requires the owner to pay a fine within a specified period of time or face court action in the event of non-payment. An owner who wishes to appeal the ticket may file a request for an appearance before an administrative review board. In the event that either the owner or the City is dissatisfied with the review board's decision, the case may be appealed to court.

The launching of this initiative should be preceded by the implementation of a communications/public awareness campaign designed to inform citizens about the program and its benefits. During an initial trial-run period, zero-fine tickets should be issued, providing owners with information about the program, including an advisory that subsequent ticketing will include a fine.

**PMI04. Consider Instituting a Certificate of Compliance Requirement**

**Target outcome:** Facilitating early intervention – at point of sale – in order to correct significant health and safety code violations before a property is conveyed to a new owner

**Responsible party:** City Manager, Director to Codes and Inspection and City Solicitor

In consultation with local real estate professionals and Blair County officials, the City should consider adopting a Certificate of Compliance requirement for residential and mixed-use properties. The certificate provides verification that a property maintenance inspection has been completed successfully and that all required City permitting, licensing, fee, and tax requirements have been met. Issuance of the certificate, at the time of transfer, reduces the number of inspections that the City needs to conduct on a reactive basis, in response to complaints, to resolve zoning and use issues during the sale/transfer of title process, and to improve property safety, and to increase City tax and fee collections (*Housing Alliance of Pennsylvania, A New Vision for Housing Market Recovery: What the Data Tells Us About What Works, Spring 2012, p. 38*).

**PMI05. With Department of Community Development, Continue to Undertake Targeted Code Enforcement in Target Areas**

**Target outcome:** Maintaining productive working relationships between property maintenance inspectors and community constituencies in targeted neighborhood areas – in order to identify and systematically address all blighted property issues within designated target areas

**Responsible party:** City Manager, Director of Codes and Inspection and Director of Community Development

Property Maintenance inspections should be made part of a broader neighborhood improvement strategy designed to resolve long-standing problems and produce substantial long-term benefits. As part of this improvement strategy, Code Enforcement Officers should communicate with community members about problem properties within a particular area, and then conduct property-by-property inspections of blocks within the designated area. If the inspection process is digitized, and if a substantial number of code enforcement issues continue to be quality-of-life issues, and if a quality-of-life program is adopted, then this strategic approach can be implemented without an increase in staff.

**PMI06. Create and Hire a Director of Codes and Inspection**

**Target outcome:** Improved Management

**Responsible party:** City Manager, Director of Human Resources, and City Council



The Director of Community Development is currently responsible for the oversight and management of the Department of Codes and Inspections. Proper management of both Community Development and Codes and Inspections requires dedicated personnel to each function. In addition to the workload of managing two departments being difficult for one individual to effectively manage, the requisite skill set and background of a qualified Codes and Inspection professional and Community Development professional are significantly different.

In order to assure that both departments are effectively managed, the Departments of Community Development and Codes and Inspection should have individual Department Directors.

**PMI07. Evaluate Insourcing Plan Reviews, Mechanical, Plumbing, Electrical and Commercial Building Inspections**

**Target outcome:** Improved Management

**Responsible party:** City Manager, Director of Codes and Inspections

The City currently employs one certified Building Code Official (“BCO”) that provides building codes inspections of residential units. The City's Building Code Official reviews and approves all commercial and residential plans for building and accessibility and inspects all commercial and residential building projects. The City's third-party inspection agency reviews and approves all commercial and residential plans for mechanical, electrical, and plumbing permits and inspects all commercial and residential mechanical, electrical, and plumbing projects.

In meetings with stakeholders, a number staff members and elected officials expressed concerns about the City’s currently outsourced inspection program. Concerns included, but were not limited to, a backlog of inspections, lack of a proactive approach to enforcement and possible loss of potential revenue.

The City shall review its current process and evaluate both the financial and operational impacts of hiring staff needed to provide Plan Reviews and Mechanical, Plumbing, Electrical and Commercial Building Inspections in-house. Any increase in personnel and overhead costs must be covered by fees charged and/or tax increases as needed.

# Office of Information Technology Department

## Overview

The City of Altoona's Information Technology Department ("IT") is responsible for the administration and support of all of the City's computer hardware, networks, and systems. An Information Technology Manager leads the City's IT Department.

In April of 2014, and in accordance with the City's original Act 47 Recovery Plan, the City completed a detailed audit of its Information Technology Systems. The purpose of the audit was to provide an overall IT assessment of the City's technology infrastructure, as well as addressing specific IT-related initiatives from the original Act 47 Recovery Plan.

IT infrastructure comprises the base of how all IT systems communicate and operate. The IT infrastructure includes the technology cabling infrastructure, the network devices that communicate across the physical infrastructure, the telecommunications spaces in which IT systems reside, and the personnel supporting those systems.<sup>19</sup>

## Finances

### IT Department – Projected Baseline Expenditures

Expenditures	2016 Est	2017 P	2018 P	2019 P	2020 P	2021 P
Salary	\$ 63,371	\$ 106,550	\$ 108,681	\$ 110,855	\$ 113,072	\$ 115,334
Employee Insurance & UC/WC	19,122	20,074	21,073	22,121	23,223	24,379
FICA & Social Security	4,848	8,054	8,215	8,379	8,547	8,718
Other Employee Expenses	250	250	250	250	250	250
Maintenance, Materials, Supplies & Equipment	171,000	239,075	243,857	248,734	253,708	258,782
Utilities	15,800	16,084	16,406	16,734	17,069	17,410
Professional & Contractual Services	35,000	35,000	35,000	35,000	35,000	35,000
<b>Total Expenditures</b>	<b>\$ 309,391</b>	<b>\$ 425,087</b>	<b>\$ 433,482</b>	<b>\$ 442,074</b>	<b>\$ 450,869</b>	<b>\$ 459,873</b>

## Assessment

IT support is provided by 1.5 FTEs. The positions consist of a full-time IT Manager and a half-time IT support person who primarily provides services to the Police Department. There is no active monitoring of IT infrastructure components. IT is notified by users when software/hardware fails and no network management software is utilized.<sup>20</sup>

A single mode fiber network connects City Hall, Fire, Police Department and City Council Chambers/EOC. The Ethernet switches at each location are connected with 10 Gbps Ethernet

<sup>19</sup> City of Altoona, Information Technology Audit dated April 7, 2014 prepared by Elert & Associates

<sup>20</sup> City of Altoona, Information Technology Audit dated April 7, 2014 prepared by Elert & Associates

connections. The fiber is utilized by the City through a franchise agreement with a local cable television provider.<sup>21</sup>

The City has 3 primary Internet connections at City Hall, Police and Fire stations. These 30 Mbps down, 10 Mbps up Internet connections are provided as part of the cable television franchise agreement. The Internet connections provide separate connectivity to each of the 3 locations and do not load share.

## Initiatives

### **IT01. Move to Broadband Cards for Mobile Units**

<b>Target outcome:</b>	Cost Savings and Upgrade Critical IT Infrastructure identified
<b>Responsible party:</b>	City Manager, City Council (as applicable), IT Manager

The City currently owns and maintains its own City-wide Wi-Fi system that is utilized for public facility surveillance cameras and for mobile unit communication. The City's current Wi-Fi system is reaching the end of its useful life and the City must develop a course of action for the future.

As of the date of this amendment, the City intends to switch all mobile units to broadband cards and only update its Wi-Fi system for public facility surveillance cameras.

Prior to making any new capital investment in the City's Wi-Fi system, the City's Information Technology Committee must evaluate alternatives and collectively decide on how best to proceed.

The City's technology committee must be formalized and should consist of representatives from all departments, both union and management employees and be chaired by the City Manager.

### **IT02. Improve Technology Infrastructure Response Time and Information Reporting Targeted Outcome**

<b>Target outcome:</b>	Enhance quality of services, increase efficiency and reduce operational costs
<b>Responsible party:</b>	City Manager, Department Heads and City Council (as applicable)

Recommendations contained in the IT Audit were divided into immediate, short-term and long-term goals. As funding, scheduling and logistics permitted, Immediate Goals were to be completed in less than 1 year; Short-term Goals were to be completed within 1-2 years and Long-term Goals to be completed within 2-3 years.

---

<sup>21</sup> City of Altoona, Information Technology Audit dated April 7, 2014 prepared by Elert & Associates

Some of the recommendations in the Audit have been completed but a number of goals remain uncompleted. The City Information Technology Committee must collectively decide which priority recommendations should be implemented.

**IT03. Purchase and Install a City wide Management and Information System**

<b>Target outcome:</b>	Increase efficiency, reduce operational costs and improve reporting
<b>Responsible party:</b>	City Manager, Department Heads and City Council (as applicable)

The City has currently begun the process of procuring and implementing a new City-wide Management and Information System (“MIS”). The City is utilizing a consultant to help facilitate the Request For Proposal process and make recommendations for the City’s consideration.

Selection of the appropriate MIS is a critical decision that the City will need to make in the next 12 months. In an effort to ensure that the MIS purchased fits the needs of the City, stakeholders from all City departments must be included in the selection process. In addition to ensuring all departments are included, employees at all levels should also be included. Having as many users of the system included in the selection process will help safeguard that the MIS selected addresses end-user requirements and will assist with employee “buy-in” when the system is installed.

Section 302(a) of Act 47 allows a municipality or the recovery plan coordinator to apply for financial assistance from the Commonwealth after a fiscally distressed municipality has adopted a recovery plan. The City, after adoption of the Amended Recovery Plan, with the assistance of the Coordinator, should apply for financial assistance to be used toward the acquisition of a new MIS.

**IT04. Restructure IT Management and Support**

<b>Target outcome:</b>	Enhance quality of services and increase efficiency
<b>Responsible party:</b>	City Manager, IT Manager

As mentioned above, City IT services are currently provided by 1 IT Manager and 1 part-time employee. Put simply, 1.5 FTEs cannot adequately respond to “help desk” issues, maintain existing IT infrastructure, install new equipment as needed and proactively design solutions to issues before they may arise.

The acquisition of a MIS for the City will be a major investment which will have a long-term impact on future operations across all City services. As the City installs and uses its new MIS, the City must ensure that the new system is being used properly by end-users and is properly maintained thereafter. Ultimately, the City must allocate additional resources to IT Management and Support in order to improve the end result.

The City shall review the costs, benefits and risks of outsourcing some or all IT services and develop a plan to address its needs accordingly.

# Insurance and Risk Management

## Overview

The City's insurance risk management program is managed in part by a number of City employees. While some municipalities, specifically those that do not employ a full time insurance risk management professional, will engage the services of an Insurance Risk Management Consultant to provide independent and objective advice and counsel, Altoona does not. The City utilizes the services of intermediaries or brokers. The City's brokerage firms provide the City with advice and counsel in the area of insurance and risk management.

Overall, in our professional opinion, the City's risk management program is adequately managed, in partnership with its current brokers. The initiatives below focus on areas where the City may continue to achieve improvements.

## Insurance Company Financial Ratings

The Coordinator believes that the financial health of an insurance company is equally as important as the terms and conditions of their policy and the services they provide. The use of ratings and related financial information has grown in importance among insurance professionals, including agents, brokers, insurance and reinsurance company executives, commercial and investment bankers, securities analysts, risk managers and policyholders. Many of these users rely on A.M. Best's Ratings and similar publications to provide critical information to assist them in their insurance decisions and market research activities.

Best's Ratings involve a quantitative and qualitative evaluation of a company's financial strength, operating performance and market profile. Essentially, there are 16 ratings that are categorized into two classifications. These ratings and classifications are as follows:

<b>Secure Ratings</b>	<b>Vulnerable Ratings</b>
A++ and A+ ... Superior	B and B- ..... Fair
A and A- .....Excellent	C++ and C+... Marginal
B++ and B+ Very Good	C and C-..... Weak
	D .....Poor
	E .... Under Supervision
	F..... In Liquidation
	S .... Rating Suspended

The Coordinator recommends the City's insurer should have and maintain a Best Rating of at least A-. Should an insurer be assigned a rating less than A-, there is reason for concern. That generally indicates that the client should consider a replacement insurer.

## Initiatives

### **IRM01. The City shall Develop a Request for Proposal (RFP) for Insurance Brokerage Services and Develop a Written Agreement for Brokerage Services**

<b>Target outcome:</b>	Allow the City to review service providers that focus on local government, their qualifications, the services they offer and their “fee”  Develop a written agreement (between City and brokers) so there is no misunderstanding about the services to be provided, by whom, and the level of service to be provided
<b>Responsible party:</b>	Director of Finance and Director of Human Resources

The Coordinator has been advised the City has not competitively bid insurance brokerage services as outlined in the original Act 47 Recovery Plan. While the City’s broker may both provide an appropriate level of service, satisfactory to the City, as well as satisfactory renewal results from a cost perspective, it would be a prudent decision for the City to develop an RFP for insurance brokerage services. This process would allow the City to take a fresh look at those service providers that focus on local government, their qualifications, and the services they offer and their “fee” to service the City.

It is recommended that the City should have a written agreement that, at a minimum, sets forth services standards and expectations and renewal timelines. While there are no cost savings or increased costs associated with this recommendation, it is advised that a written agreement be developed which addresses the issues referenced above so that there is no misunderstanding of the services to be provided, by whom, and the level of service to be provided. It is also recommended that the City consider engaging an independent third-party consultant to assist in developing the Agreement. Utilizing an expert in such matters will assure the appropriate insurance risk management services it is entitled to receive and should be receiving are effectively managed.

### **IRM02. The City shall evaluate Converting Brokerage Compensation to an Annual Fee for Service vs a Commission Plus Fee**

<b>Target outcome:</b>	Cost Containment
<b>Responsible party:</b>	Director of Finance and Director of Human Resources

The City’s current broker’s level of compensation appears to be both fair and reasonable; however, it is recommended that the City shall consider transitioning from a commission plus fee means of brokerage compensation to an annual fee for service. If the City moves to an annual fee for service, commission income would be waived on all lines. It is recognized that in some instances a premium for any number of reasons must or will include commission. It is advised that in those instances, the commission income shall be disclosed and taken as an offset to the agreed upon annual fee.

**IRM03. The City Shall Adopt a Formal Policy Requiring Remarketing of All Lines of Insurance**

**Target outcome:** Remarketing of all lines of insurance

**Responsible party:** Director of Finance and Director of Human Resources

The City shall adopt a formal policy that requires a remarketing of all the lines of insurance on a periodic basis. The City currently remarkets its lines of insurance annually. While the City has achieved cost savings by remarketing lines annually, it does not have a formal policy requiring remarketing on a periodic basis. The City should utilize the services of a professional insurance consultant to establish a formal policy based on best practices.

**IRM04. The City Shall Review Fee Compensation Structure for its Third Party Claims Administrator on a Periodic Basis**

**Target outcome:** Limit annual fee to \$35,000

**Responsible party:** Director of Finance and Director of Human Resources

Consideration shall be given to a flat rate method of Third Party Administrator compensation with a maximum annual fee of \$35,000, which may be waived in the event of a catastrophic event in which more than a defined number of employees are injured.

**IRM05. The City Shall continue to implement a \$25,000 Threshold for Large Claim Notification**

**Target outcome:** City will continue to be notified immediately if and when a case reserve is established or amended that exceeds \$25,000

**Responsible party:** Director of Finance and Director of Human Resources

As recommended in the City's original Act 47 Recovery Plan, the City implemented a threshold which requires its Third Party Administrator to notify the City when a claim has been established with a case reserve in excess of a specific amount or when a case reserve is increased in excess of a certain amount. It is recommended that its Third Party Administrator continue to notify the City immediately if a case reserve is established or amended that exceeds \$25,000. Additionally, the City should continue closely reviewing and monitoring claims.

**IRM06. The City Shall Continue Quarterly Review of All Open Claims**

**Target outcome:** Claims reviewed on a regular basis

**Responsible party:** City Manager, Director of Finance and Director of Human Resources

All open claims shall continue to be reviewed on a regular schedule. At a minimum, quarterly reviews shall be completed. Part of the review process shall be assessing the compensability of

the injury, the adequacy of the reserve, the ability for the injured party to assume a light duty assignment, and the proximate cause of the incident leading to the injury to determine what could have been done or can be done to prevent recurrence. These types of reviews are a prudent management practice.

**IRM07. The City Shall Implement Fleet Safety Guidelines, Fleet Management Guidelines and Reduce the Number of Take Home Vehicles**

**Target outcome:** Operational Improvement

**Responsible party:** City Manager and Director of Human Resources

The City has not implemented Fleet Management or Fleet Safety Guidelines. While there is no benchmarking data to which to compare the City, it is recommended that the City prepare Fleet Safety Guidelines that formally determines those moving violations and/or accidents over a specified period which would allow or prevent someone from being hired. At the same time, each accident must be reviewed, and if deemed preventable, the measures which could have been taken to prevent the accident shall be documented.

A large number of City employees are provided take home vehicles. Take home vehicles should be limited to those employees whose job responsibilities require immediate 24/7 response and cannot return to City Hall to retrieve a vehicle.



# Debt

## Overview

The City of Altoona has done a commendable job in the management of the amount of debt the City has issued, thereby limiting the debt burden on the taxpayers of the City. As illustrated throughout this chapter, the total amount of City debt outstanding and the City's annual debt service requirements are, in the Coordinator's opinion, at a manageable level. The management of the City's debt is the responsibility of the Finance Department. City Council must approve any City debt issuance and to provide a City general obligation guaranty for a borrowing.

## General Obligation Debt

The City has outstanding general obligation debt which includes publicly issued bonds, bank loans and guaranteed obligations. The City currently has nine (9) outstanding long-term debt issues through six (6) publically traded borrowings and three (3) bank loans. The City has a history of also utilizing annual short-term Tax and Revenue Anticipation Notes ("TRANs") for the purpose of providing the City necessary cash flow at the beginning of its fiscal year until sufficient tax collections are received. TRANs issued by the City have been paid within the fiscal year in which they have been issued.

Beginning in 2017 the City's annual debt service obligations are essentially level through fiscal year 2021. The table below details the City's general obligation debt service requirements, by individual issue, for fiscal years 2016 through 2021.

	2016	2017	2018	2019	2020	2021
2003 A Notes	\$ 282,775	\$ 282,775	\$ 282,775	\$ 282,775	\$ 282,775	\$ 282,775
2003 B Notes (Taxable)	76,920	81,690	76,230	701,000	699,500	136,500
2008 Bonds	494,235	63,085	25,925	0	0	0
2009 Bonds	555,220	558,370	556,070	122,210	122,210	377,210
2011 Note	125,785	125,785	125,785	125,785	125,785	125,785
2013 Bonds	253,865	255,465	256,965	258,365	254,110	254,300
2014 Bonds	475,530	900,330	943,430	788,810	791,910	1,094,710
2015 Note	117,907	184,670	184,670	184,672	184,664	184,664
2015 A Note	89,969	611,568	611,980	611,938	612,009	611,790
<b>Total</b>	<b>\$ 2,472,206</b>	<b>\$ 3,063,738</b>	<b>\$ 3,063,830</b>	<b>\$ 3,075,555</b>	<b>\$ 3,072,963</b>	<b>\$ 3,067,733</b>

Source: Bond Official Statements and City debt documents.

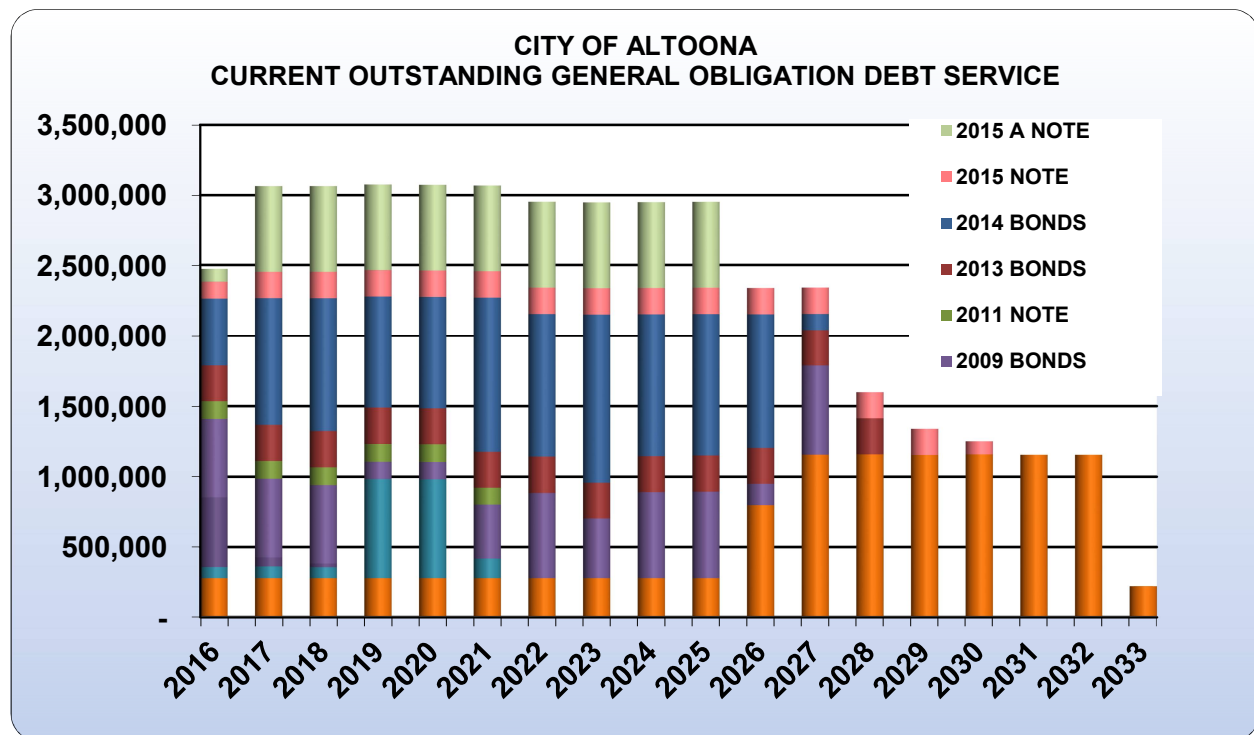
All of the City's outstanding debt obligations are traditional, fixed rate debt instruments that are not at risk to movements in interest rates. The City's conservative approach to issuing debt has benefited the City as it relates to potential future risk of market fluctuations. Approximately seventy five percent (75%) of the principal amount of the City's outstanding debt is amortized (paid) over the next 10 years (through fiscal year 2026). The final maturity of the City's outstanding debt service requirements is 2033. Fixed interest rates on the City's outstanding debt obligations range from 2.85% to 5.00% as shown in the table below.

Debt Series	Maturity Year	Outstanding Principal Amount	Interest
2003 A Notes	2033	\$ 6,690,000	4.20% to 4.30%
Taxable 2003 B Notes	2021	1,440,000	4.60% to 5.00%
2008 Bonds	2018	560,000	3.40% to 3.70%
2009 Bonds	2027	4,110,000	3.00% to 4.45%
2011 Note	2021	610,510	4.25%
2013 Bonds	2028	2,625,000	2.00% to 4.10%
2014 Bonds	2027	8,635,000	1.00% to 3.50%
2015 Note	2030	2,145,000	2.384% to 4.75%
2015 A Note	2025	\$ 4,855,000	1.10% to 3.14%

Source: Bond Official Statements and City debt documents.

The City's total annual debt service obligations are level through fiscal year 2021 at a total projected annual expense of approximately \$3.06 million. The projected annual debt obligation of the City reduces to approximately \$2.3 million in fiscal year 2026, \$1.6 million in fiscal year 2028 and to approximately \$1.15 million in fiscal year 2031.

The graph below shows the City's total general obligation debt service requirements through the final maturity of all currently outstanding City debt.



The total principal amount of City general obligation debt currently outstanding is \$31,670,510. This amount of general obligation debt equals \$688.68 of debt per capita (based on the 2010-2014 Census American Community Survey 5-Year Estimates). The City also has the highest market value of property in Blair County at \$1,357,870,768 (source: PA State Tax and Equalization Board). The City's total outstanding debt as a percentage of its market value of property is 2.33%.

# Initiatives

Given the City's low debt burden, there are limited opportunities for the City to realize significant savings by restructuring its outstanding debt portfolio. The initiatives below are designed to allow the City to take advantage of market opportunities as they may become available and to allow the City to continue to keep the overall debt burden at its current manageable level.

## **DS01. Current Refunding of the outstanding 2003 A & 2009 Bonds**

<b>Target outcome:</b>	Savings
<b>Responsible party:</b>	Director of Finance

The City's General Obligation Notes Series A of 2003 are currently outstanding in a principal amount of \$6,690,000. The 2003 A Notes amortize over the life of the issue through September 1, 2033. The City's General Obligation Bonds, Series of 2009 are currently outstanding in a principal amount of \$4,110,000. The 2009 Bonds amortize over the life of the issue through September 1, 2027. The 2003 A & 2009 Bonds are currently callable and can be refunded by the City at any time.

The 2003 A Notes were issued on July 15, 2003 and were used to fund various capital projects of the City and to advance refund a portion of the City's General Obligation Bonds, Series of 1998. The 2009 Bonds were issued on March 16, 2009 and were used to fund various capital projects of the City.

The City is already working with its Financial Advisor to refund all the 2003 A & a portion of the 2009 Bonds. Based on current market rates the City anticipates savings of more than \$1,300,000 in present value savings. Note: Anticipated savings are not included in baseline projections.

## **DS02. Adopt and Comply With Debt Policies**

<b>Target outcome:</b>	Improved Practices; Debt Management
<b>Responsible party:</b>	Director of Finance

The City is in the process of developing debt metrics and ratios for the anticipated refunding and new issue (debt service as a percentage of operating revenue, debt per capita, average maturity of debt, total debt as a percentage of market and/or assessed value, annual debt service as a percentage of the City's annual general fund budget, net present value savings achieved with refunding).

Best practices standards that Cities use to evaluate the efficiency of debt transactions include, but are not limited to, (i) debt service expenditures as a percentage of operating revenues; (ii) debt per capita; (iii) average maturity of the debt; (iv) total debt as a percentage of market and/or assessed value of property; (v) annual debt service as a percentage of the City's annual general fund budget; (vi) level of fund balance and liquidity; and (vii) the net present value savings achieved (for refunding transactions).

**DS03. Reduce Reliance on Annual Short-Term Cash Flow Borrowings (TRANS)**

**Target outcome:** Debt Management; Future Savings

**Responsible party:** Director of Finance

The City has historically issued and relied on short-term borrowings (Tax and Revenue Anticipation Notes – TRANS) to assist the City's cash flow needs at the beginning of its fiscal year until tax collections are received.

The 2013 TRAN was \$4.5 million, the 2014 TRAN was \$3.715 million, the 2015 TRAN was \$3 million and the 2016 TRAN was \$2.15 million.

# Capital Improvement Program & Budget Process

## Overview

A capital improvement program that builds and preserves infrastructure and technology systems is an essential part of stability and promoting economic expansion in Altoona. Prior to 2015, the City did not fund a majority of its capital budget due to inadequate resources.

During the Recovery Plan period, the City has made great strides in its Capital Improvement and Budgeting process. As part of the 2015 budget process, the Interim City Manager proposed a five-year Capital Improvement Program (CIP) through 2019. This five-year program is a planning document which requires the City Administration and Council to plan ahead for the capital needs of the City. This Program was developed with extensive input from Department Directors. The Capital Program was approved by Council on December 9, 2014. While the five-year program was approved, only the 2016 and 2017 projects have been funded.

The City's 2015 CIP included a total of approximately \$19 million in capital project funding needs. The table below lists the City's current capital projects included in its CIP through fiscal year 2017. In 2015, the City secured a \$2.145 million General Obligation note with a 15-year term and a \$4.855 million General Obligation note with a 10-year term to begin to fund its capital priorities.

### Altoona Funding Priorities by Department 2015 – 2017

Department	2015	2016	2017
Parking Authority	\$ 38,000	\$ 97,206	\$ 61,480
Information Technology	115,300	132,800	90,150
Police	195,420	86,350	88,880
Fire	66,000	515,637	535,500
Public Works	1,682,300	2,080,350	1,854,784
CBRC	0	23,000	0
<b>Total</b>	<b>\$ 2,097,020</b>	<b>\$ 2,935,343</b>	<b>\$ 2,630,794</b>

Source: City of Altoona Administration

The City's current process for the development of its CIP is for the City's Department Directors to submit their respective capital budgets to the City Manager for review. Through a collaborative process, management staff develops a capital program with the City Manager which is prioritized based on need. While the City's Administration has to make difficult decisions about how best to allocate limited resources, it should remain cognizant that deferring infrastructure investment can have a detrimental, long-term impact on delivery of services for the City and its economic growth potential.

## Capital Improvement Plan Development

The capital improvement process needs to be based on best practices and account for the City's limited financial resources for the CIP and implemented under the City's Home Rule Charter and Administrative Code. To best address the City's capital needs within the

constraints of limited resources, Altoona needs to set clear criteria for prioritizing and selecting capital investments which:

- Protect the health and safety of the public and employees;
- Advance the implementation of a Comprehensive Capital Plan;
- Invest in core infrastructure and equipment needs; and
- Shows the impact of capital investments on the operating budget.

The CIP should be an integral part of City governance. The current capital needs of the City, the financial constraints of the capital budget, and the growing burdens on operating revenues should be considered in whole. If the demands of the capital plan cannot be met then the operations that drive those capital needs should be reevaluated and aligned with the financial limitations of the capital and operating budgets over a multi-year period.

## **Definition of Capital Eligible Projects**

The City should continue, as a best practice, to formally define a “capital project.” A Capital Improvement Project (“capital project”) may include any project funded by public monies, in whole or in part, or proposed to be funded by public monies, in whole or in part, to build, restore, retain, rehabilitate, purchase or repurchase any equipment, property, facility, infrastructure, hardware for information technology, park facility, or building that is neither funded annually nor repeats in any way the intent of a previous project and is to be used for the public benefit or is a public asset. Capital projects shall have a minimum value of fifty thousand dollars (\$50,000) and have a minimum useful life as defined by the City. All capital projects that are less than \$50,000 and have a shorter useful life than defined by the City as an eligible capital project should be included in the City’s annual operating budget.

## **Initiatives**

### **CB01. Utilize an Annual CIP Document**

<b>Target outcome:</b>	Transparency; Improved Coordination
<b>Responsible party:</b>	City Manager, Director of Finance

As part of the 2015 budget process, the Interim City Manager proposed a 5-year Capital Improvement Program (2015 to 2019). The 5-year program is a planning document which requires staff and Council to plan ahead for the capital needs of the City. This Program was developed with extensive input from Department Directors. The Capital Program was approved by Council on December 9, 2014.

The CIP budget for 2015 as \$2,552,687. The Manager proposed funding the CIP with a 1.37 mill increase in the property tax to fund the debt service for the capital borrowing. Council did not approve a millage increase but approved two loans the first with a 15-year term from S&T Bank for approximately \$2.1 million and the second a 10-year term loan from Mifflinburg Trust for approximately \$4.8 million. The capital items funded in 2015 were:

- Streets – Resurfacing, Traffic Signal Upgrade, Curb Reconstruction, Street Light Conversion to LED, ADA Ramps, Guide Rail, Alley Paving, 12th Street Bridge Repair, Storm Sewer Construction, MS4 Stream Cleaning, Public Works Vehicles
- Fire – Personal Protective Gear, Facilities Repair
- Police – Police Vehicles, Hand Guns, Portable Radios/Accessories, Furniture
- Information Technology – IT Technology Modernization, Police Building Security
- Parking Authority – PG – Parking Garage

The CIP budget for 2016 is \$2,935,343. The capital items funded in 2016 include but not limited to, are:

- Streets – Resurfacing, Traffic Signal Upgrade, Curb Reconstruction, Street Light Conversion to LED, ADA Ramps, Guide Rail, Alley Paving, 12th Street Bridge Repair, Storm Sewer Construction, MS4 Stream Cleaning, Public Works Vehicles
- General Government – City Hall Roof
- Fire – Personal Protective Gear, Facilities Repair, Staff Vehicles and a Fire Engine
- Police – Police Vehicles, Hand Guns, Portable Radios/Accessories, Furniture
- Information Technology – IT Technology Modernization, Police Building Security
- Parks and Recreation – Highland Park Pavilion Roof
- Parking Authority – PG – Parking Garage

The CIP will be presented and approved by City Council in connection with the City's annual budget. The CIP document will provide the City Administration and City Council with an opportunity to discuss the projects to be included in the CIP and, the performance of the CIP projects including: (i) original project budget compared to final cost; (ii) estimated project completion date compared to actual completion date; (iii) cumulative CIP expenditures; and (iv) the overall impact to the City both from financial and economic perspectives.

The annual CIP document presented to City Council by the City Manager shall include the following:

- A narrative review that details CIP project priorities for the upcoming budget year.
- A description of the CIP development process that the City Administration conducted during the year and how the CIP projects were selected to be included.
- A summary of the CIP by project type and department.
- Individual descriptions of each project included in the CIP for the upcoming budget year. The description of each project will detail the project's location, project summary,

estimated cost, estimated completion date and the project's estimated operational cost or savings.

**CB02. Involvement of City Departments in the CIP Process**

**Target outcome:** Transparency; Improved Coordination

**Responsible party:** City Manager; City Departments

The City has prioritized projects for the CIP for 2016-2017 and obtaining funding for approved projects. Department Directors reviewed and prioritized their capital needs in an effort to reduce the CIP budget for these years to an affordable level. Future projects for the years 2018-2019 will be reviewed as part of the 2017 annual budget process.

The City's current process to establish the projects to be included in its CIP involves the City Department Directors making requests for funding to the City Manager. The City Manager and Director of Finance then make the ultimate decision as to what projects are included in the City's CIP. The City Manager, Director of Finance, and each City Department Director must establish a process to develop the City's CIP on an annual basis. The City Manager, Director of Finance and City Department Directors will meet on a quarterly basis, at a minimum, to prioritize and establish the projects to be included in the five-year CIP and the projects to be funded in the next budget year. This process allows the City Manager to have a better idea about projects that need to be prioritized, and the City Department Directors will gain a better understanding of the City's limited financial position and how projects need to be prioritized for funding and implementation.

When the City Manager presents the CIP to City Council with the annual budget, the City Administration and the City Department Directors will be able to provide City Council and the public a greater understanding of the priority projects and the impact they will have on the City.

**CB03. Capital Budget Financing**

**Target outcome:** Transparency; Improved Services

**Responsible party:** City Manager; Director of Financer

Debt financing for capital projects allows the City to pay for its capital projects over a period of time through the payment of annual debt service. Using funds from the annual operating budget to fund capital projects limits the amount of capital projects that the City can fund on an annual basis. External funding in the form of grants from federal and state sources should be sought by the City and used to supplement its efforts to fund its capital projects.



# Revenue

## Overview

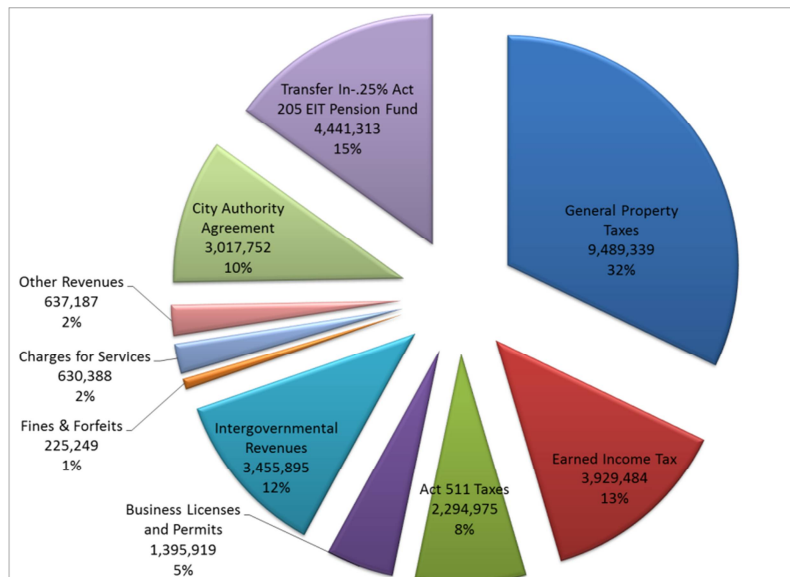
Like all local governments, the City of Altoona requires stable revenue sources with moderate growth to fund the services it provides to its residents, businesses and visitors. Both factors are important because so much of a local government's expenditures are related to recurring and regularly-increasing costs for salaries, benefits, and other operating expenses. Altoona's primary revenue sources – real estate tax and earned income tax – are stable; however, its revenue base has struggled to attain growth and, in fact, has been stagnant or declining. Thus, absent City Council action to increase tax rates, the City would not be able to provide the level of services it currently provides its citizens. Unfortunately, for the foreseeable future the growth of the City's expenses will continue to outpace the growth of the City's revenue base.

The City of Altoona is not alone in facing this economic conundrum. Revenues in cities across the country are struggling to keep pace with expenditure growth.

## General Fund Revenues

Historically, the largest component of City's General Fund revenues have been the real estate tax. The City's other major sources of revenue include the Earned Income Tax ("EIT"), transfers from the Altoona Water Authority and the Pension EIT Fund, along with other local taxes, transfers from state and federal governments, and user fee revenues. The chart below shows the estimated share of revenues by major category.

### FY 2015 General Fund Revenues



The following table details the performance of the City's General Fund revenue sources over the last five fiscal years. During the three-years since the City's adoption of the Recovery Plan in December 2012, the City's General Fund revenues have modestly increased.

### General Fund Revenues, 2011-2015

Revenues	2011	2012	2013	2014	2015	Change 2011-2015	
	Actual	Actual	Actual	Actual	Actual	\$	%
General Property Taxes	\$ 8,857,933	\$ 9,118,848	\$ 9,230,134	\$ 9,375,033	\$ 9,489,339	\$ 631,406	7.1%
Earned Income Tax	2,929,680	3,739,729	2,371,149	2,469,746	2,545,550	(384,130)	(13.1)
Earned Income – Act 47	0	0	1,607,527	1,414,665	1,383,934	1,383,934	100.0
Act 511 Taxes	2,246,219	2,402,603	2,204,739	2,147,253	2,294,975	48,755	2.2
Business Licenses and Permits	1,435,805	1,227,563	1,228,030	1,260,271	1,395,919	(39,885)	(2.8)
Intergovernmental Revenues	1,064,999	1,283,033	891,787	1,411,589	1,346,542	281,544	26.4
Federal Gov't Grants & Revenue	0	937,163	68,989	146,222	158,615	158,615	100.0
State Aid Pension Contribution	2,171,415	1,319,585	1,367,294	1,293,475	1,321,273	(850,142)	(39.2)
State Gov't Grants & Revenue	356,886	249,235	224,170	495,005	629,465	272,579	76.4
Fines & Forfeits	278,001	252,585	222,287	220,822	225,249	(52,751)	(19.0)
Charges for Services	462,078	382,128	442,515	358,614	630,388	168,310	36.4
Other Revenues	598,061	548,670	606,278	525,868	637,187	39,125	6.5
City Authority Agreement	2,900,000	2,929,000	2,958,290	2,987,873	3,017,752	117,752	4.1
Transfer In Act 205 EIT Pension Fund	3,413,027	3,277,938	3,589,773	3,567,373	4,441,313	1,028,286	30.1
Other Interfund Operating Transfers	0	0	0	0	0	0	0.0
<b>Total Revenues</b>	<b>\$26,714,104</b>	<b>\$ 27,668,081</b>	<b>\$ 27,012,963</b>	<b>\$27,673,809</b>	<b>\$ 29,517,500</b>	<b>\$ 2,803,397</b>	<b>10.5%</b>

While the City's General Fund revenues have increased by almost 10.5% over the past five years, virtually all of the City's revenue growth has been due to increases in the Earned Income Tax (EIT) rate (which was levied under the authorization of the Municipalities Financial Recovery Act) and a recent property tax rate increase levied solely for debt service on capital improvement bonds. These rate increases and special purpose millages are a reflection of the inability of the City's tax base to experience any meaningful natural growth.

### Taxation

The Act 47 Coordinator recommends that the City of Altoona consider the following initiatives as means to increase tax revenue, reduce tax collection expenses and improve voluntary compliance:

## ***Real Estate Taxation***

### **TAX01. County-Wide Real Estate Reassessment**

<b>Target outcome:</b>	Uniformity in taxation
<b>Responsible party:</b>	Director of Finance, in conjunction with the County Assessment Office and the School District Business Manager

Blair County is expected to complete a reassessment of real property values in 2016. The reassessed property values will be effective January 1, 2017. The City and the School District each have standing to challenge new assessments of individual parcels, with an annual deadline to file an appeal of existing assessments on or before September 1, and with the effect of any change made the following January 1.

The period following a county-wide reassessment will be affected by the expected large amount of assessment appeals by individual property owners, especially given the length of time since the prior reassessment. It is expected that the appeal period will be most active through 2018 and therefore the City shall consider assigning a portion of the 2017 and 2018 property tax revenue to a specific fund to pay any refunds required by the settlement of assessment appeals.

The City shall budget an appropriate amount and consider the possibility of refunds of taxes when determining the revised millage rate levied for the 2017 budget.

### **TAX02. Review and Increase Utilization of Payment-in-Lieu-of Property Tax (“PILOT”) Agreements**

<b>Target outcome:</b>	Increase revenue
<b>Responsible party:</b>	Director of Finance, in conjunction with the County Assessment Office and the School District Business Manager, and City Solicitor

Approximately 16% of the assessed value of land and 32% of total assessed value in the City is tax-exempt. Among the six suburban municipalities which have the largest number of non-residents working in Altoona, only Hollidaysburg Borough, at 35% of total assessed value, has a larger share of exempt properties. In Logan Township, only 15% of its total assessed value is tax exempt. More than half of the exempt property in Altoona is owned by government entities.

Presently, the City’s only PILOT agreement is with the UPMC Altoona (“UPMCA”). The term of the UPMCA PILOT Agreement runs through 2016. It provides an annual contribution of \$215,150 unless the hospital’s annual income from operations is less than \$612,606, in which case a portion of the PILOT amount shall be made under a formula set forth in the PILOT Agreement, with no amount paid if the hospital incurs a deficit.

Although most of Altoona’s exempt properties are exempt as a matter of law, the City should consider soliciting voluntary contributions, with PILOT agreements, from government, government-sponsored organizations and nonprofit organizations to reimburse the City for all or a portion of the services provided by the City.

**TAX03. Improve Compliance With Business Privilege and Mercantile Tax; Consider Payroll Preparation Tax To Replace BP/M Taxes.**

**Target outcome:** Increase revenue; reduce tax administration/collection costs

**Responsible party:** City Council, Director of Finance, and City Solicitor

In 2013, the City increased the Mercantile License and Business Privilege License Fees. Subsequent to this increase, the Municipalities Financial Recovery Act was amended to allow the replacement of the Business Privilege and Mercantile Tax (BP/M) with a payroll preparation tax to be levied on the gross amount of payroll by employers within the City. The amended Act (Section 123(d)(2)) states that a distressed municipality may enact a payroll preparation tax pursuant to Section 303 of the Local Tax Enabling Act, as certified by the coordinator and approved by the court. “When imposing a tax under this paragraph, the municipality may impose the tax not to exceed a rate that is sufficient to produce revenues equal to revenues collected as a result of a business privilege tax and a mercantile tax under Chapter 3 of the Local Tax Enabling Act in the preceding fiscal year.”

To the extent that the City desires to convert its Business Privilege and its Mercantile Taxes to a Payroll Preparation Tax effective January 1, 2018, the City should seek court approval of the Payroll Preparation Tax rate in the fall of 2017. The “revenues collected . . . in the preceding fiscal year” would be the revenues collected in 2016. Therefore, 2016 is a pivotal year for the City to make sure that it is collecting the maximum amount of Business Privilege and Mercantile Taxes.

**TAX04. Realty Transfer Tax – Pursue Department of Revenue Determination for Additional Tax, Penalty and Interest**

**Target outcome:** Increase revenue; reduce tax administration and collection costs

**Responsible party:** City Council and City Solicitor

The City last amended its Realty Transfer Tax Ordinance in 2007. The Commonwealth, under Act 40 of 2005, gives the City the option to have the Pennsylvania Department of Revenue make determinations for additional tax, penalty and interest.<sup>22</sup> For this service, the Department of Revenue may impose a cost of up to 10% of the tax, penalty and interest collected on behalf of the City.<sup>23</sup> The City should consider this option to reduce the costs of tax administration and increase the net receipts from tax underpayments, penalty and interest. This tax is collected by the County Recorder of Deeds.

---

<sup>22</sup> 72 P.S. § 8109-D(a).

<sup>23</sup> Act 40 of 2005.

#### **TAX05. Improve Taxpayer Information**

<b>Target outcome:</b>	Improved service and access to information
<b>Responsible party:</b>	Director of Finance and IT Department

To improve voluntary compliance and administrative efficiency, the City shall create a tax webpage within the City website that includes all tax forms (in PDF print and interactive formats), tax instructions, tax ordinances, tax regulations, taxpayer information phone numbers and addresses (both e-mail and regular mail), and links to outside tax collectors, relevant County offices (Tax Assessor, Board of Assessment Appeals, Recorder of Deeds), School District, and the Pennsylvania Department of Revenue.

#### **TAX06. Evaluate Impact of a single millage rate on land and improvements**

<b>Target outcome:</b>	Uniformity in Tax Revenues
<b>Responsible party:</b>	Department of Finance, City Council, and City Solicitor

The City imposes a land value tax on all taxable real property within the City's boundaries. Thus, 100% of the City's levied real estate millage is assessed only on land. Beginning on January 1, 2017, the new property assessments will be effective in Blair County from the recently completed county-wide property reassessment. The City shall consider evaluating its current land value tax system and convert it to a single rate system that would tax both land and improvements. This conversion should be accomplished at the same time as the City is required to reduce its rate of taxation to comply with the increased valuations and limits on increases in real estate tax revenue in the year immediately following a county-wide reassessment.

## **Non-Tax Revenues and Revenue Management**

### **Initiatives**

#### **RE01. The City Shall Consolidate Revenue Collection, Reporting and Enforcement, and Consider Outsourcing Certain Revenue Collection**

<b>Target outcome:</b>	More timely revenue collection to improve cash flow, and increased revenue collection
<b>Responsible party:</b>	City Council, Director of Finance, and City Solicitor

The City utilizes different collection entities including the following: Berkeimer Tax Administrator, the BCTCB, Blair County Recorder of Deeds, Atlantic Broadband, the Blair County Resource Recovery Facility, Inc., an individual (for No Lien statements), numerous district court Magistrates and the City of Altoona (various departments). Most City licenses, permits, fees, fines and charges for services may be contracted to third parties.

The collection for all permits, licenses, fees, transfers and all other non-tax revenues should be either centralized in the Finance Department (understanding that certain revenues can realistically only be collected by a given entity, e.g., Atlantic Broadband for the TV Cable

Contract Fee) or contracted to a third party. Such centralization, whether in-house or outsourced, would be for purposes of increasing operating efficiency, taxpayer compliance and improving internal controls as well as taxpayer services. In particular, segregating the collection function from the fee calculation and assessment function is an important segregation of duties consistent with accounting and auditing risk assessment principles.

**RE02. Tax Compliance, Audit Transparency, and Information Sharing Between City and State**

**Target outcome:** Increased revenues, verification of amounts due, comprehensive audits

**Responsible party:** Director of Finance, in conjunction with the Blair County Tax Collection Bureau

The City does not engage in Compliance Auditing or Cross-Checking of Payees. A standard tax compliance approach is for different taxing bodies or a collection agency to share information related to audit findings and other compliance efforts. For example, when the Internal Revenue Service imposes additional federal income taxes as a result of its audit efforts regarding individuals or corporations, the IRS will notify the appropriate state Revenue Departments of those findings, so that those entities can determine if additional state income taxes should be pursued.

The Coordinator recommends the Finance Department work with the Blair County Tax Collection Bureau to contact the Pennsylvania Department of Revenue to determine if compliance-related information could be received for a subset of certain taxpayers (e.g., large employers) as a basis to initiate audits of those employers to ensure correct amounts are being withheld and transmitted to the Tax Collection Bureau on behalf of the City. This is particularly important for both EIT (general and pension taxes) which represented approximately 30% of the City's revenue in the 2016 budget.

In addition, the Bureau should seek to pursue audits of major employers by comparing their employment records to payments and tax returns received by the Collection Bureau for Altoona.

Audit enforcement procedures shall be employed for all taxes, including the EIT, other Act 511 taxes and certain fees, including the Local Services Tax and the Business Privilege and Mercantile Tax. Property Tax is enforced at the County level on behalf of municipalities in Blair County.

**RE03. Increase Certain Fees as Allowed by Law**

**Target outcome:** Increased recurring revenue

**Responsible party:** Director of Finance, Director of Codes and Inspections, Director of Public Works, and City Solicitor

The City has more than 30 separate fees, licenses and permits, and also several additional service-related charges. Many of these fees, licenses and permits do not have the potential to contribute significantly to reduce the City's recurring deficits. However, there are certain

revenue types which are worthy of review either because of their materiality or stability, as well as their potential to grow in areas where the City has some reasonable expectation for growth.

The City increased certain fees during 2013, 2014 and 2015 and reviewing fees is now a standard practice of the City's budgeting process.

# Intergovernmental Relations

## Overview

The City of Altoona is one of 25 municipalities in Blair County. Multiple school districts reside within the County as well. The City actively participates in several intergovernmental organizations aimed at fostering cooperation among their members. Additionally, the City is a party to several cooperative arrangements with other governmental entities. These intergovernmental organizations and cooperative arrangements are set forth below:

- The Intermunicipal Relations Committee (“IRC”) is a council of governments (“COG”) including the City of Altoona, Logan Township, Tyrone Borough and Hollidaysburg Borough. The IRC was initially established as the Intermunicipal Recycling Committee in 1990 to address the needs of the member municipalities related to recycling and composting required by Pennsylvania Act 101 of 1988. The name was changed in 1997 to reflect a desire by the member municipalities to undertake other intermunicipal issues, such as cable television franchise issues.
- The Central Blair Recreation Commission (“CBRC”) is a council of governments including the City of Altoona, Logan Township and Altoona Area School District. The “CBRC” coordinates parks and recreation activities throughout its region.
- The Altoona-Blair County Development Corp. (“ABCD”) is a private non-profit corporation working as a catalyst for business expansion in Blair County, Pennsylvania through regional partnerships along the I-99 Innovation Corridor, including the Interstate 99 Enterprise Zone Committee. ABCD includes the City of Altoona and various other municipal entities, and focuses on economic development along with the Greater Altoona Economic Development Corp. which is also administered by ABCD.
- The PennDot Transportation Committee was created by the Pennsylvania Department of Transportation to oversee the transportation needs for Blair County. Altoona actively participates in the Committee along with certain other Blair County municipalities.
- The Altoona Mobile Emergency Department (“AMED Authority”) provides Emergency Medical Services to the City, the Altoona Regional Health System and Logan Township.
- The Altoona Water Authority (“AWA”) is a Municipal Authority that provides water and wastewater services to approximately 60% of Blair County. AWA is governed by a five-member Board of Directors, each of whom is appointed by the City Council. The AWA relies heavily on the services, facilities, and property provided by various City departments.
- The City is a party to a Cooperative Police Service Agreement with the Altoona Campus of Penn State University. Pursuant to this Agreement, City Police and Penn State Campus police provide each other with mutual aid, support and assistance.



- Continue to partner with Blair County municipalities to develop strategies to achieve and maintain compliance with heightened best management practices and inspection requirements in order to renew its MS4 permit.

## Assessment

Pennsylvania's Intergovernmental Cooperation Act explicitly authorizes two or more local governments, including school districts, to cooperate in the exercise of their governmental functions, powers, and responsibilities.<sup>24</sup>

It is imperative for the City of Altoona to continually expand its intergovernmental cooperation efforts in order to maximum efficiencies and cost savings. The City must continue to look for every opportunity to eliminate duplication of services with other local government entities, and explore opportunities to partner on services, purchasing, administration, and staffing.

## Initiatives

### **IGR01. Continue to Identify and Implement Intergovernmental Cooperative Initiatives**

<b>Target outcome:</b>	Improved cooperation and cost reduction
<b>Responsible party:</b>	City Manager, Department Directors and City Council

The City Manager and Department Directors shall continue to identify and discuss possible collaborative intergovernmental initiatives aimed at conserving funds and/or improving current services. These initiatives may address topics including, but not limited to: tax collection; refuse collection, fleet maintenance; parks and recreation, purchasing; facilities maintenance; financial management services; and information technology. The group shall meet on a regular basis with the ultimate goal of identifying the most promising areas for future shared services, developing initiatives within these areas (along with specific implementation plans) and implementing these initiatives within each organization. The group shall analyze opportunities based on potential for cost savings, ability to improve current service delivery and/or savings on long-term capital costs for all entities involved.

### **IGR02. Negotiate a New Lease agreement with the AWA for the Use of City's Services, Facilities, Property, Personnel, Rights of Way and for the Right to Operate City-Owned Assets**

<b>Target outcome:</b>	Increase Revenue to City for Use of its Services, Facilities, Property, Personnel, and Rights of Way
<b>Responsible party:</b>	City Manager, Solicitor and City Council

The Altoona Water Authority ("AWA") is a Municipal Authority that was incorporated by the City pursuant to the Municipal Authorities Act of 1945.<sup>25</sup> The AWA was created in 1948 as the

<sup>24</sup> See 53 Pa. C.S.A. § 2303

<sup>25</sup> P.L. 382, 53 P.S. 301 et seq.

“Altoona City Authority” to provide water and wastewater service to the City and surrounding municipalities. The Authority’s name was changed to the Altoona Water Authority in 2009 pursuant to an Amendment to its Articles of Incorporation.

The AWA’s current service area covers approximately 60% of Blair County. The AWA public water service area encompasses the City of Altoona, Hollidaysburg Borough, Bellwood Borough, Tyrone Borough, Duncansville Borough, Allegheny Township, Antis Township, Blair Township, Frankstown Township, Juniata Township, Logan Township, Snyder Township and Tyrone Township. The AWA wastewater collection system services the City of Altoona, Logan Township and Allegheny Township. AWA provides retail service to over 21,000 residential, 1500 commercial, 240 industrial/bulk and three utility customers in 13 municipalities in Blair County.<sup>26</sup> AWA also provides bulk service to four municipalities pursuant to perpetuity agreements.<sup>27</sup>

AWA is governed by a five-member Board of Directors, each of whom is appointed by the City Council. The Board has the sole authority to set the water and wastewater rates for the AWA.

In 1981, the City conveyed its entire water system to the AWA, for no compensation. Similarly, in 1986, the City conveyed its entire wastewater system to the AWA, again for no compensation. These conveyances for no compensation provided the AWA with substantial operating assets that were an important factor in allowing the AWA to expand its service significantly over the past several decades.

The AWA relies heavily on the services, facilities, and property provided by various City departments. The AWA has historically paid the City a yearly fee in consideration for the use of these City services, facilities and property. The City’s provision of services to the AWA, and the AWA’s payment for those services is currently governed by the Second Amended and Restated Cooperation Agreement dated January 1, 2011, which outlines forty (40) categories of services that the City provides to the AWA. The Second Amended and Restated Cooperation Agreement also specifies that the City will not impose real or personal property taxes on any of the AWA’s projects so long as the project is owned by the AWA and as long as any bonds issued in connection with such projects remain unpaid. As consideration for the forty enumerated services and the exemption from assessments, the AWA is obligated to pay the City \$2.9 million (\$2,900,000) per year starting in 2011.<sup>28</sup> It should be noted that this amount has not increased significantly since 2004.

---

<sup>26</sup> Moody’s Investors Services, Rating Opinion on Altoona Water Authority’s \$36.4 Million Water Revenue Refunding Bonds, Series of 2007 (June 21, 2012) (hereinafter referred to as the “2012 Moody’s Opinion”)

<sup>27</sup> 2012 Moody’s Opinion.

<sup>28</sup> The AWA payment amounts increase by 1% per year after the first year.

# INITIATIVES – FULL LIST

Chapter	Code	Initiative
Elected Officials	CC01	City Council Shall Enact, Modify and Revise City Ordinances as Necessary to Implement the Amended Recovery Plan
Elected Officials	CC02	City Council Shall Hold an Annual Town Hall Meeting on City's Progress
Elected Officials	CM01	The City Manager Shall Work with City Council to Enact, Modify and Revise City ordinances as Necessary to Implement the Amended Recovery Plan and Shall Take a Lead Role with Plan Implementation
Elected Officials	EOADMIN01	Continue Monthly Meetings Between the City Manager and Department Heads
Elected Officials	PER01	Establish a Performance Review Process
Elected Officials	PER02	Develop a Performance Management System
Elected Officials	PER03	Review Vehicle Usage and Establish a Vehicle Usage Policy
Finance Department	AFD01	Financial Policies
Workforce and Collective Bargaining	WF01	Ensure Future Collective Bargaining and Labor Agreements Remain Compliant with Amended Recovery Plan
Workforce and Collective Bargaining	WF02	Use Professional Assistance for Labor Negotiations
Workforce and Collective Bargaining	WF03	Continue a Labor/Management Committee for All Employee Groups
Workforce and Collective Bargaining	WF04	Limit New Contract Enhancements
Workforce and Collective Bargaining	WF05	Provide for Annual Salary Increases and Additional Compensation
Workforce and Collective Bargaining	WF06	Longevity Pay and Eligibility
Workforce and Collective Bargaining	WF07	Reduce Paid Holidays, Personal, Vacation and Sick Leave
Workforce and Collective Bargaining	WF08	Adjust Overtime Eligibility Thresholds to Reflect Hours Actually Worked
Workforce and Collective Bargaining	WF09	Limit Compensatory Time
Workforce and Collective Bargaining	WF10	Limit City's Costs for Employee Health Care and Reduce Payment for Employees Who Waive Health Insurance
Workforce and Collective Bargaining	WF11	Contain Post-Retirement Healthcare Costs and Establish OPEB Trust
Retirement Benefits	RET01	Prospectively Reduce the Level of Benefits
Retirement Benefits	RET02	Determine Status of Firemen's Fund CBA Enhancements Before Implementation of Such Enhancements, if Applicable
Retirement Benefits	RET03	Determine Status of Police Plan CBA Enhancements Before Implementation of Such Enhancements, if Applicable
Retirement Benefits	RET04	Conform Police Plan CBA With the Terms of the Police Plan Ordinance
Retirement Benefits	RET05	Freeze Benefit Levels for All Plans
Retirement Benefits	RET06	Remove Unlawful \$100/month Supplement for Firemen's Fund
Retirement Benefits	RET07	Consolidate Administration of the City's Three Retirement Plans
Retirement Benefits	RET08	Update the Police Plan to Comply with IRS Qualification Requirements
Retirement Benefits	RET09	Seek IRS Determination Letter for Police Plan
Retirement Benefits	RET10	Update the Firemen's Fund to Comply with IRS Qualification Requirements
Retirement Benefits	RET11	Seek IRS Determination Letter for Firemen's Fund
Retirement Benefits	RET12	Seek IRS Determination Letter for Non-Uniformed Plan
Police Department	PD01	Continue to Use Data to Determine Busiest Shifts and Schedule Accordingly
Police Department	PD02	Restore the Organizational Structure and Shift Responsibilities Accordingly
Police Department	PD03	Continue the process to Achieve Accreditation

Police Department	PD04	Evaluate the impact of funding Police Academy Training for new hires
Police Department	PD05	Change Weighting of Promotion Process to Ensure Most Qualified Applicant is Selected
Fire Department	FD01	Add Provision for the Acceptance of Promotion by the Chief of the Department
Fire Department	FD02	Reduce Union Business Days
Fire Department	FD03	Utilize improved technology to increase the number of commercial occupancy inspections performed
Fire Department	FD04	Automate payroll and purchasing software
Fire Department	FD05	In conjunction with AMED review delivery of Emergency Medical Services for possible improvements
Fire Department	FD06	Cross-Train Fire Personnel on Code Violations
Public Works Department	PW01	Upgrade Remaining Street Lights to LEDs
Public Works Department	PW02	Implement Guaranteed Energy Savings Program
Public Works Department	PW03	Upgrade GIS and Add Productivity Applications
Public Works Department	PW04	Continue to Annually Increase PWD Service Fees
Public Works Department	PW05	Continue to Increase Street Repaving
Public Works Department	PW06	Cyclical Solutions for Pavement
Public Works Department	PW07	Utilize GPS on all Public Works vehicles
Public Works Department	PW08	Install Road Watch Temperature Gauges for Fleet Trucks
Public Works Department	PW09	Pretreatment System for Salt
Public Works Department	PW10	Evaluate the Feasibility of an Additional Stockpile Location
Public Works Department	PW11	Continue to Evaluate Establishing a Street Cut/Special Project Work Crew
Public Works Department	PW12	Implement MS4 Compliance Program
Department of Community Development	CD01	Create a Business Plan to Identify Illegal Construction Performed and to Bring Violators into compliance
Department of Community Development	CD02	Continue to Target Community Policing to Qualifying Downtown-Area Neighborhoods
Department of Community Development	CD03	Continue to Fund Infrastructure Improvements in Areas Selected for Targeted Neighborhood Improvement Strategies
Department of Community Development	CD04	Promote Neighborhood Planning in Areas Targeted for Comprehensive Property Maintenance Inspections and Code Enforcement
Department of Community Development	CD05	Remove Management Responsibilities of Department of Codes and Inspection from Community Development Director and Hire a Codes and Inspection Director
Housing	H01	Develop a Strategic Approach to Land Banking
Economic Development	ED01	Continue the Implementation of "Ahead of the Curve" Altoona's Downtown Growth Strategy
Economic Development	ED02	Promote Development on Underused Surface Parking Lots
Economic Development	ED03	Make Use of New Tools for Blight Prevention and Elimination
Economic Development	ED04	Develop Improvement Strategies for Downtown-Area Neighborhoods
Economic Development	ED05	Establish a "One Stop Shop" to facilitate development review and construction process for citizens, builders, developers and contractors
Codes and Inspections Department	PMI01	Digitize Inspection Process
Codes and Inspections Department	PMI02	Continue to Establish Performance Metrics and Conduct Monthly Performance Reporting
Codes and Inspections Department	PMI03	Reconsider Adopting a Quality of Life Ticketing Program
Codes and Inspections Department	PMI04	Consider Institute a Certificate of Compliance Requirement
Codes and Inspections Department	PMI05	With Department of Community Development, Continue to Undertake Targeted Code Enforcement in Target Areas
Codes and Inspections Department	PMI06	Create and Hire a Director of Codes and Inspection
Codes and Inspections Department	PMI07	Evaluate Insourcing Plan Reviews, Mechanical, Plumbing, Electrical and Commercial Building Inspections

Office of Information Technology Department	IT01	Move to Broadband Cards for Mobile Units
Office of Information Technology Department	IT02	Improve Technology Infrastructure Response Time and Information Reporting Targeted Outcome
Office of Information Technology Department	IT03	Purchase and Install a City wide Management and Information System
Office of Information Technology Department	IT04	Restructure IT Management and Support
Insurance and Risk Management	IRM01	The City shall Develop a Request for Proposal (RFP) for Insurance Brokerage Services and Develop a Written Agreement for Brokerage Services
Insurance and Risk Management	IRM02	The City shall evaluate Converting Brokerage Compensation to Annual Fee for Service vs. a Commission Plus Fee
Insurance and Risk Management	IRM03	The City Shall Adopt a Formal Policy Requiring Remarketing of All Lines of Insurance
Insurance and Risk Management	IRM04	The City Shall Review Fee Compensation Structure for its Third Party Claims Administrator on a Periodic Basis
Insurance and Risk Management	IRM05	The City Shall continue to implement a \$25,000 Threshold for Large Claim Notification
Insurance and Risk Management	IRM06	The City Shall Continue Quarterly Review of All Open Claims
Insurance and Risk Management	IRM07	The City Shall Implement Fleet Safety Guidelines, Fleet Management Guidelines and Reduce the Number of Take Home Vehicles
Debt	DS01	Current Refunding of the outstanding 2003 A & B Notes
Debt	DS02	Adopt and Comply With Debt Policies
Debt	DS03	Reduce Reliance on Annual Short-Term Cash Flow Borrowings (TRANS)
Capital Improvement Program & Budget Process	CB01	Utilize an Annual CIP Document
Capital Improvement Program & Budget Process	CB02	Involvement of City Departments in the CIP Process
Capital Improvement Program & Budget Process	CB03	Capital Budget Financing
Revenue	TAX01	County-Wide Real Estate Reassessment
Revenue	TAX02	Review and Increase Utilization of Payment-in-Lieu-of Property Tax ("PILOT") Agreements
Revenue	TAX03	Improve Compliance With Business Privilege and Mercantile Tax; Consider Payroll Preparation Tax To Replace BP/M Taxes.
Revenue	TAX04	Realty Transfer Tax – Pursue Department of Revenue Determination for Additional Tax, Penalty and Interest
Revenue	TAX05	Improve Taxpayer Information
Revenue	TAX06	Evaluate Impact of a single millage rate on land and improvements
Revenue	RE01	The City Shall Consolidate Revenue Collection, Reporting and Enforcement, and Consider Outsourcing Certain Revenue Collection
Revenue	RE02	Tax Compliance, Audit Transparency, and Information Sharing Between City and State
Revenue	RE03	Increase Certain Fees as Allowed by Law
Intergovernmental Relations	IGR01	Continue to Identify and Implement Intergovernmental Cooperative Initiatives
Intergovernmental Relations	IGR02	Negotiate a New Lease agreement with the AWA for the Use of City's Services, Facilities, Property, Personnel, Rights of Way and for the Right to Operate City Owned Assets



# **ACT 47 RECOVERY PLAN FINANCIAL ASSISTANCE RECOMMENDATIONS**

Section 302(a) of Act 47 allows a municipality or the recovery plan coordinator to apply for financial assistance from the Commonwealth after a fiscally distressed municipality has adopted a recovery plan. The City, after adoption of the amended recovery plan, with the assistance of the Coordinator, may consider applying for financial assistance for the City's new Management and Information System "MIS" system and to augment anticipated increased costs of IT maintenance and support.

## **UPGRADES TO THE OFFICE OF INFORMATION AND TECHNOLOGY**

The City of Altoona Amended Recovery Plan report identifies four technology-based initiatives which are recommended to improve services rendered by City departments to the public. These technology-based initiatives will enhance the quality of services, increase efficiency and reduce operational costs in these critical areas. The Coordinator recommends the City submit the following projects to receive funding from an Act 47 Financial Assistance grant.

1. Office of Information and Technology – Purchase and Install a City wide Management and Information System – IT03 – \$250,000
2. Office of Information and Technology – IT04 – Restructure IT Management and Support – \$75,000

City IT services are currently provided by 1 IT Manager and 1 part-time employee. Put simply, 1.5 FTEs cannot adequately respond to "help desk" issues, maintain existing IT infrastructure, install new equipment as needed and proactively design solutions to issues before they may arise.

Additionally, the acquisition of a MIS for the City will be a major investment which will have a long-term impact on future operations across all City services. As the City installs and uses its new MIS, the City must ensure that the new system is being used properly by end-users and is properly maintained thereafter. Ultimately, the City must allocate additional resources to IT Management and Support in order to improve the end result.

The City of Altoona's Act 47 Recovery Plan Coordinator believes that the Financial Assistance recommended in this plan will benefit the City of Altoona through improved efficiencies and effectiveness of services. The Coordinator recommends a Financial Assistance request by the City through the single application for assistance process in the amount of \$325,000.

## **Act 47 Coordinator**

FS&L, Financial Solutions

Stevens & Lee, Lawyers and Consultants

PEL, Pennsylvania Economy League

**City of Altoona**  
**Act 47 Amended Recovery Plan**

